

bill 2082, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, sponsored by Hon. JOSEPH R. BRYSON; to the Committee on the Judiciary.

4344. By Mr. ROWAN: Petition of the B. & M. Distributors of Chicago, Ill., against the enactment of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

4345. By Mr. SCHIFFLER: Petition of T. M. Tuerffs, commander, Fairmont Post, No. 17, the American Legion, Fairmont, W. Va., urging the passage of legislation that will provide mustering-out pay, clothing, and hospitalization facilities for discharged servicemen immediately upon their return to civilian life; to the Committee on Military Affairs.

4346. By Mrs. SMITH of Maine: Petition of the Desire Toulouse Market, Augusta, Maine, and citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4347. Also, petition of the Black and White Cafe, Augusta, Maine, and citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4348. Also, petition of Jack's Cafe, Augusta, Maine, and citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4349. Also, petition of Calix P. Blouin, of Augusta, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4350. Also, petition of Michaud Bros., Augusta, Maine, and citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4351. By the SPEAKER: Petition of Morris H. Tynes, of Greensboro, N. C., petitioning consideration of resolution with reference to postponing of the 1944 Presidential campaign; to the Committee on the Judiciary.

4352. Also, petition of Moms of America, Detroit 26, Mich., petitioning consideration of resolution with reference to soldiers voting; to the Committee on Election of President, Vice President, and Representatives in Congress.

4353. Also, petition of the Colorado Producers and Distributors, Inc., Denver, Colo., petitioning consideration of resolution with reference to House bill 2082; to the Committee on the Judiciary.

4354. Also, petition of the Board of Supervisors of Kent County, Mich., petitioning consideration of resolution with reference to House bill 3420; to the Committee on Interstate and Foreign Commerce.

4355. Also, petition of the American Legion, East Grand Rapids Post, East Grand Rapids, Mich., petitioning consideration of resolution with reference to House bill 3420; to the Committee on Interstate and Foreign Commerce.

4356. Also, petition of the managing director, State of Connecticut Development Commission, Hartford, Conn., petitioning consideration of resolution with reference to House bill 3420; to the Committee on Interstate and Foreign Commerce.

4357. Also, petition of Elizabeth A. Blanchard, of Boston, Mass., petitioning consideration of resolution with reference to her petition for redress; to the Committee on the Civil Service.

SENATE

TUESDAY, JANUARY 18, 1944

(Legislative day of Tuesday, January 11, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, far above us and yet deep within us we bow at the altar of prayer which our fathers set up at the Nation's birth, in this temple of freedom, so that even before we speak we may listen. In a turbulent time we would wait to put our hearts in tune with the infinite. As we come now we would be conscious of those voices that speak of high motives in a world ridden by low motives, of purity in an age blatant with uncleanness, of self-giving in a social order which in its blindness still crucifies its prophets. In such a world, where the lowest so commonly is the loudest, we need at the day's beginning a shrine of reverence to give the highest a chance at our lives. We cannot maintain the fine edge of our spiritual morale in the constant babel of the world's uproar. For our soul's sake we must find the quiet places, the still waters, the green pastures, if our jaded and frayed spirits are to be restored.

Give us, we beseech Thee, ears to hear, not the raucous shouts upon the noisy streets but the still voice heard only in the inner chamber. Amen.

ROBERT F. WAGNER, a Senator from the State of New York, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, January 17, 1944, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Downey	Maybank
Andrews	Eastland	Mead
Austin	Ellender	Millikin
Bailey	Ferguson	Moore
Ball	George	Murdock
Bankhead	Gerry	Murray
Barkley	Gillette	Nye
Bilbo	Green	O'Daniel
Bone	Guffey	Overton
Brewster	Gurney	Radcliffe
Bridges	Hayden	Reed
Buck	Hill	Revercomb
Burton	Holman	Reynolds
Bushfield	Johnson, Colo.	Robertson
Butler	Kilgore	Russell
Byrd	La Follette	Shipstead
Capper	Langer	Stewart
Caraway	Lodge	Taft
Chavez	McCarran	Thomas, Idaho
Clark, Mo.	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Danaher	McKellar	Tobey
Davis	Maloney	Truman

Tunnell	Wagner	Wheeler
Tydings	Wallgren	White
Vandenberg	Walsh, Mass.	Wiley
Van Nuys	Walsh, N. J.	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Illinois [Mr. LUCAS] and the Senator from Florida [Mr. PEPPER] are detained on public business.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] and the Senator from Wyoming [Mr. O'MAHONEY] are detained because of slight colds. The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness. The Senator from Illinois [Mr. BROOKS] is absent on official business. The Senator from Iowa [Mr. WILSON] is absent because of illness. The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

VOTES FOR SOLDIERS—POLITICAL POLL OF FORCES IN ENGLAND

Mr. GREEN. Mr. President, I wish to read two short letters which may be of interest to some Members of the Senate. These letters passed between the Secretary of War and myself. The first is a letter which I addressed to the Secretary of War, dated January 12 last. It reads:

JANUARY 12, 1944.

Hon. HENRY L. STIMSON,
Secretary of War,
War Department, Washington, D. C.

MY DEAR MR. SECRETARY: Press reports of Monday state that Mr. Harrison Spangler, chairman of the Republican National Committee, sponsored a survey of political opinion among our armed forces in England.

In common with other Members of the Senate, I am deeply concerned about this matter since we are in the midst of an effort to ensure the right of a secret ballot to every member of the armed forces, as provided in the bill jointly sponsored by Senator SCOTT LUCAS and myself.

Having in mind the language of War Department Circular No. 41, dated February 5, 1943, issued by Chief of Staff Gen. George C. Marshall, I believe that a thorough investigation should be made by the War Department.

I would appreciate being advised if the War Department has instituted an investigation and if so, having a complete report when ready.

Yours very truly,
THEODORE FRANCIS GREEN.

This morning I received the Secretary's reply, dated January 15, which reads as follows:

WAR DEPARTMENT,
Washington, D. C., January 15, 1944.
Hon. THEODORE FRANCIS GREEN,
United States Senate.

MY DEAR SENATOR GREEN: I wish to acknowledge the receipt of your letter of January 12, 1944, referring to press stories to the effect that the chairman of the Republican National Committee had sponsored a survey of political opinion among the armed forces

in England and inquiring if an investigation had been instituted by the War Department.

Prior to the receipt of your letter, the commanding general of the European theater of operations had been directed by cable to make an immediate investigation of the facts alleged in the press stories and to submit a preliminary report by radio at the earliest practicable date, to be followed by a formal report transmitted by air mail.

The War Department has received a reply by cable from the commanding general of the European theater of operations, stating that if any such survey or poll was made it was done without the consent or knowledge of himself or his headquarters, and that he is conducting an intensive investigation with a view to determining whether any such survey or poll was made and, if so, what members of the military services, if any, were responsible therefor.

When the facts have been ascertained, I shall, in compliance with your request, advise you of the result of the investigation.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

WARTIME METHOD OF VOTING BY MEMBERS OF ARMED FORCES—RESOLUTION OF KENTUCKY LEGISLATURE

Mr. BARKLEY. Mr. President, I ask unanimous consent to present for printing at this point in the RECORD, under the rule, a resolution adopted by both houses of the Kentucky Legislature, now in session, urging Congress to pass a Federal statute which will permit the soldiers and sailors and others in the armed services of the United States to vote at the coming and all future elections while they are in the service.

There being no objection, the resolution was received, referred to the Committee on Privileges and Elections, and ordered to be printed in the RECORD, under the rule, as follows:

House Resolution No. 7

Whereas the present World War is being fought to give freedom to the world, freedom from fear, freedom of worship, freedom of speech, and freedom from want; and

Whereas men and women of our beloved country are on the far-flung battle fronts and on home fronts in defense plants; and

Whereas these men and women are willing to sacrifice their lives that the people of the earth may govern themselves and rid the world of dictators; and

Whereas the citizens of Kentucky owe a debt of gratitude to the men and women of Kentucky who are thus engaged that can never be amply paid; and

Whereas under the fundamental law of the Commonwealth of Kentucky these men and women are deprived of the right of suffrage; and

Whereas there is pending in the Congress of the United States an Absentee Servicemen's Voting Act: Therefore be it

Resolved by the House of Representatives of the Commonwealth of Kentucky (the Senate concurring), That we respectfully urge the Congress of the United States to pass an act that would give to our service men and women, wherever they may be, and those who are away from their homes engaged in defense work, the right to vote in all State and national elections; be it further

Resolved, That a copy of these resolutions be mailed by the clerk of the house of representatives to the President of the United States, to the President of the Senate of the United States, to the Clerk of the House of Representatives of the United States, to Senator ALBEN W. BARKLEY, to Senator A. B. CHANDLER, and to every Member of the House

of Representatives of the United States from Kentucky.

The VICE PRESIDENT laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Privileges and Elections.

CONSUMER SUBSIDIES—LETTER AND MEMORIAL

Mr. BUTLER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the body of the RECORD in connection with my remarks a letter, together with a memorial, signed by 25 farmers of Nebraska.

There being no objection, the letter and memorial were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

REPUBLICAN CITY, NEBR.,
January 14, 1944.

The Honorable HUGH BUTLER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BUTLER: At a community meeting of farmers last evening the subject of subsidies was discussed pro and con. As a result the enclosed resolution was drafted and signed by the farmers and their wives who were present. The sentiment expressed in the resolution is the current opinion of the majority of the farmers in this region.

As farmers, we are amazed at the popular opinion of the urban peoples, that farmers are the direct cause of the high food costs and that they are rolling in wealth from the prices they are receiving from food-stuffs. We feel that the consuming public should know the facts concerning the percentage of the food dollar which the farmers receive and that they should know the amounts added to the food dollar between the farmer and the ultimate consumer.

In the main, farmers are fairly well satisfied with current farm prices and are more than willing for ceiling prices to be enforced, along with a floor price so that they will be assured of returns in the black when they plant a crop or breed livestock.

Unless something is done to relieve the farm labor shortage, there will be a general decrease in farm products this year, because every farmer is forced to raise just what he and his family can tend.

Thanking you for your consistent representation of the agricultural State of Nebraska in your office, I am

Very truly yours,

Mrs. R. L. HASKINS.

REPUBLICAN CITY, NEBR.,
January 14, 1944.

The Honorable HUGH BUTLER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BUTLER: Believing the consuming public is able and willing to pay its food bill as it goes if properly informed, and believing that subsidies will not prevent inflation or guarantee parity prices to farmers, we, the undersigned farmers, ask you to use your influence against consumer subsidies.

C. C. Hawley, I. C. Hecht, K. J. Payne, Harold Simmons, John Sindt, Peter Rolland, Darrel Wolfe, Wm. Kauk, Ray Haskins, C. R. Waggoner, H. H. Guest, Mrs. I. C. Hecht, Mrs. Wm. Kauk, Travis Thomas, Raymond Richard, Gladys W. Hawley, Gladys Simmons, Flora Sindt, Mildred Waggoner, Beulah Wolfe, Beulah Thomas, Hazel Tubridy, Donna Tubridy, Alice H. Haskins, M. H. Haskins.

GLOBAL AIR TRANSPORT SYSTEM—RESOLUTION OF PUTNAM (CONN.) CHAMBER OF COMMERCE

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD and appropriately referred a letter, in the form of a resolution, which I have received from the Putnam Chamber of Commerce, Putnam, Conn., and which refers to subjects of very great interest at this time.

There being no objection, the letter embodying a resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

JANUARY 7, 1944.

Senator FRANCIS MALONEY,
Washington, D. C.

DEAR SENATOR MALONEY: At a meeting of the board of directors of the Putnam Chamber of Commerce, Inc., the following resolution was unanimously adopted:

"Resolved, That the Putnam Chamber of Commerce, Inc., of Putnam, Conn., is definitely in favor of the preservation of free enterprise and a sound basis of overseas air-transport operation, in line with the preamble as laid down by the domestic air carriers of the United States, as follows:

"1. Free and open competition, world-wide, subject to reasonable regulations by the appropriate governmental agencies.

"2. Private ownership and management.

"3. Fostering and encouraging by the Government of the United States of a sound world-wide air-transportation system.

"4. Freedom of transit in peaceful flight—world-wide.

"5. Acquisition of civil and commercial outlets required in the public interests; and be it further

"Resolved, That copies of this resolution be transmitted to Senator JOHN A. DANAHY, Senator FRANCIS MALONEY, and Representative JOHN D. MCWILLIAMS, with a respectful and urgent appeal for support of the policies of free enterprise in any and all legislation concerned with post-war commercial overseas air transportation."

Respectfully yours,
PUTNAM CHAMBER OF COMMERCE, INC.,
OMER J. MILOT, Secretary.

PRESERVATION OF PRE-WAR BOUNDARIES OF POLAND—RESOLUTION OF POLISH CENTRAL COMMITTEE, TERRYVILLE, CONN.

Mr. MALONEY. Mr. President, I ask also unanimous consent that there may be inserted at this point in the RECORD and appropriately referred a resolution adopted by the Polish Central Committee of Terryville, Conn., seeking congressional aid to maintain the pre-war boundaries of Poland in the post-war planning.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

TERRYVILLE, CONN., December 27, 1943.

DEAR SENATOR FRANCIS MALONEY: The Polish Central Committee of Terryville, Conn., which has 52 members, representing 2,000 people of the town of Terryville, Conn., at its last meeting voted to go on record in seeking congressional aid to maintain pre-war boundaries of Poland in the post-war planning. It is for this reason, and in the furtherance of this program that we are filing our appeal with you as our Representative in Congress.

This appeal is filed, because of in our opinion the sacrifices of the Polish legions

and the Polish people in delaying the Wehrmacht at a critical period when time was needed by the Allied Nations to organize the facilities and resources for the elimination of the enemy. Furthermore it is our belief that the pre-war boundaries will in the future, as in the past, establish Poland as a buffer state, valuable in helping to keep peace.

Therefore, we, as a representative body of the Polish American people of Terryville, because of humanitarian principles and more specifically the Atlantic Charter, and because of the geo-political value to the democracies in the future strongly urge you to do everything in your power to revive the old boundaries of Poland in the post-war world.

Thanking you for your kind consideration of this matter, we remain,

Very truly yours,

THE POLISH CENTRAL COMMITTEE,
JOSEPH A. ZABASKI,

President.

JOHN K. CICHON,

Vice President.

KONST. J. KAWIECKI,

Treasurer.

WALTER WODZYNSKI,

Secretary.

STELLA CHUINLEWSKI,

Second Vice President.

**WORLD ORGANIZATION FOR PEACE—
PLAN OF A. D. QUAINANCE, DENVER,
COLO.**

Mr. DOWNEY presented a plan of a world organization for peace submitted by A. D. Quainance, of Denver, Colo., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

**WIN THE PEACE WHILE WINNING THE WAR—
UNITED STATES PATTERN FOR WORLD PEACE**

1. Not less than two nor more than seven representatives from each of the United Nations to meet at historic Independence Hall at Philadelphia not later than January 17, 1944.

2. Organize a world congress patterned after our Continental Congress.

3. Do the same thing in the same way for the world that our founding fathers did for us.

(a) Adopt articles of confederation giving the congress jurisdiction over the maintenance of law and order and the stabilization of world affairs.

(b) Three-fourths of all nations cooperating necessary for action.

(c) The congress to have jurisdiction to frame and adopt a constitution and bill of rights for the world, to be submitted for ratification and approval by each of the United Nations.

4. The President and the United States Senate shall invite the United Nations to send their representatives to this congress, thereby establishing a definite foreign policy and insuring cooperation between the Executive and the Senate against its later repudiation.

5. While the world congress is framing the constitution and bill of rights, each nation reserves absolute sovereignty over commerce, trade, tariff, and every other question affecting its internal security.

David Lawrence, editor of the United States Daily, says:

"Judging by our own spokesmen, America seems to be engaged already in losing the peace. Gradually the leverage which can be exercised upon allies only during a war is being surrendered.

"Apparently no commitments binding upon the United Nations are to be entered into, but a sort of groping or evolutionary process is to set in so that conceivably 5 to 10 years after hostilities and the question of a world organization to preserve peace is to be finally resolved.

"This does not fit in with the lessons of World War No. 1. When hostilities had ended and there was no longer need for the aid of the United States; there was a different attitude on the part of the victors—Great Britain, France, and Italy. The Fourteen Points on which the armistice was based began to be regarded as a goal rather than a commitment, and soon President Wilson found himself up against the victorious powers who wanted to divide the spoils in accordance with secret treaties. And what could Mr. Wilson do?

"It is therefore surprising to read that the main issues of the kind of organization that will be committed to keep the peace are to be left unsettled for a long time. Under Secretary Welles has often outlined with statesmanlike vision the bases of a permanent peace but his latest speech seems to fit in now with the Churchill-Roosevelt philosophy of regional understandings and a loose framework of nations for the after-the-war era."

Let us form the congress now while the other nations still need our help, so that we will not have the same debacle that we had after the last war.

One hundred and fifty years ago they said our form of government would never succeed, and they still say so. Are we to concur now in this opinion and repudiate the finest form of representative government the world has ever known, substituting for it some new experimental form?

A. D. QUAINANCE.

**BILLS AND A JOINT RESOLUTION
INTRODUCED**

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 1657. A bill to amend an act entitled "An act to empower the Commissioners of the District of Columbia to convey land (approved April 28, 1922); and

S. 1658. A bill to extend for 1 year the date of termination of Public Law 22, dated April 1, 1943, entitled "To provide for a temporary increase in compensation for certain employees of the District of Columbia government and the White House Police force"; to the Committee on the District of Columbia.

By Mr. DOWNEY:

S. 1659. A bill providing for the establishment of an Emergency Economic Commission; to the Committee on Banking and Currency.

By Mr. McKELLAR (for Mr. GLASS):

S. J. Res. 108. Joint resolution making an appropriation for contingent expenses of the Senate; to the Committee on Appropriations.

AMENDMENT TO THE REVENUE ACT

Mr. RADCLIFFE submitted an amendment intended to be proposed by him to the bill (H. R. 3687) to provide revenue and for other purposes, which was ordered to lie on the table and to be printed.

**ADDRESS BY THE VICE PRESIDENT AT THE
MEETING OF GOVERNORS OF SOUTHERN AND WESTERN STATES**

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the address delivered by the Vice President at the meeting of Governors of the Southern and Western States held in Washington January 17, 1943, which appears in the Appendix.]

**VETERANS' LEGISLATION—ADDRESSES BY
SENATOR WILEY**

[Mr. WILEY asked and obtained leave to have printed in the RECORD two radio addresses on the subject of veterans' legisla-

tion delivered by him on December 28, 1943, and January 3, 1944, respectively, which appear in the Appendix.]

**ADDRESS BY THE POSTMASTER GENERAL,
AT SYRACUSE, N. Y.**

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Hon. Frank C. Walker, Postmaster General, at Syracuse, N. Y., on January 15, 1944, which appears in the Appendix.]

**THE MAKING OF PEACE—ADDRESS BY
ARCHIBALD MACLEISH**

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an address delivered by Archibald MacLeish on the Metropolitan Opera program, December 25, 1943, which appears in the Appendix.]

THE REVENUE ACT

The Senate resumed the consideration of the bill (H. R. 3687) to provide revenue, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I call up an amendment which is on the table, and ask that it be reported to the Senate.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 61, after line 22, it is proposed to strike out subsection (d), reading as follows:

(d) Termination of percentage depletion for certain minerals: The amendments made by subsections (a) and (b) (except as they relate to potash) and the amendments made to section 114 of the Internal Revenue Code by section 145 of the Revenue Act of 1942 (providing percentage depletion for fluor spar, ball and sagger clay, and rock asphalt), shall not apply with respect to any taxable year beginning on or after the date of the termination of hostilities in the present war. For the purposes of this subsection the term "date of the termination of hostilities in the present war" means the date proclaimed by the President as the date of such termination, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, whichever is the earlier.

Mr. THOMAS of Oklahoma. Mr. President, the pending amendment relates to the principle of depletion. The amendment does not seek to give any new metal or mineral the depletion privilege. It simply seeks to provide that the metals and minerals which have the principal allowance shall retain that allowance. At the present time certain minerals and metals have a depletion allowance. For example oil has 27½ percent depletion allowance. Gas has a similar percentage of depletion allowance. Sulfur has 23 percent depletion allowance. The metals have 15 percent depletion allowance.

To the metal group we have added ball and sagger clay, rock asphalt, and fluor spar. The pending bill, when it was made up in the House, added a number of new minerals to this group. When the bill reached the Senate, the Senate committee added some new minerals to the depletion group, so that now quite a group of metals and minerals are accorded the depletion allowance principle ranging from 27½ percent for oil and gas down to as low as 5 percent in the case of coal.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURRAY. May I inquire if the depletion group includes manganese and tungsten?

Mr. THOMAS of Oklahoma. Manganese and tungsten come under the classification as metals with the 15 percent depletion allowance.

Mr. President, after the House and the Senate committees considered the bill they placed in the measure a section which, if not stricken out, will deprive a number of these metals and minerals of this depletion allowance after the close of the war. My amendment strikes out that section, and if my amendment shall be adopted by the Senate and agreed to in conference and later by the two Houses, then the metals and minerals now in the group will have a permanent depletion allowance until the Congress hereafter sees fit to change the law.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHITE. Am I correct in my understanding that the Senator's amendment, if adopted, would strike out the provision of the bill which ends the right to this depletion allowance after the war?

Mr. THOMAS of Oklahoma. After the close of the war, yes. The section I seek to strike provides that after the close of the war, when the President shall have declared the emergency at an end, or when the two Houses shall have declared by resolution that the war is over, then the depletion allowance on certain minerals shall cease. My amendment would strike out that provision.

Mr. WHITE. The Senator's amendment would strike out that provision, so that the right of depletion will be a continuing right?

Mr. THOMAS of Oklahoma. Yes, until the Congress hereafter sees fit to change the law.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I should like to inquire of the Senator whether any of the metals or minerals which now have the benefit of the depletion allowance have a permanent depletion allowance, or does the section the Senator seeks to strike out of the bill apply to all which have been granted that status?

Mr. THOMAS of Oklahoma. Under the present law oil and gas have a 23½ percent depletion allowance, and that is permanent so far as the bill is concerned. Metals have a 15 percent depletion allowance, and that is permanent so far as the bill is concerned. Sulfur has 23 percent depreciation allowance, and that is permanent so far as the bill is concerned. Likewise coal has a 5 percent depletion allowance, and that is permanent. My amendment refers to all the other items in the bill.

Two years ago the Congress gave rock asphalt and ball and sagger clay and fluor spar a depletion allowance of 15 percent. The present bill takes those three items now in the law and puts them over in this section, so that if this section is not stricken these three items—ball and sagger clay, rock asphalt, and fluor spar—will go out along with those placed in the bill by the committee.

Mr. McCLELLAN. I am interested in the Senator's amendment, and shall support it. Since the bill has reached the floor of the Senate, I have had included barite—a mineral found in my State, important to the war effort and also to our domestic economy. I should like to see the Senator's amendment adopted in order that this benefit may extend in the post-war period to further development and exploitation of our mineral resources.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. It was my understanding when this matter came before the Senate Finance Committee—and I ask the Senator to check my information—that this proposal to terminate depletion allowances at the end of hostilities in respect to certain commodities applied only to those which had been given depletion on the plea of a war emergency. Am I wrong about that?

Mr. THOMAS of Oklahoma. The Senator is wrong in three particulars. The Senator is correct with respect to all of them save the three, which are ball and sagger clay, rock asphalt, and fluor spar, but my amendment takes in these items which now have the depletion allowance in existing law. Again, the three are ball and sagger clay, rock asphalt, and fluor spar. They are lifted from the present law and placed in this section, which, if not stricken, will remove them from the law as soon as the war is over. They now have depletion, but they will not have it after the bill is passed and signed.

Mr. VANDENBERG. So the Senator's proposal applies only to those three commodities?

Mr. THOMAS of Oklahoma. No; it applies to the new ones and the three I have just mentioned.

Mr. VANDENBERG. I think it is the new ones that I am inquiring about. Have they not been given depletion on the plea that it was a war depletion and that it was an emergency matter and a temporary matter?

Mr. THOMAS of Oklahoma. Mr. President, I cannot answer that question, because I have not read the House hearings. I do not know with respect to what plea this section was placed in the bill. The group is found in 33 of the States of the Union, and I imagine that when their producers saw the other minerals and metals having a depletion allowance they could not understand why their metals or minerals should not likewise be included in the group, because they are depletable, and depletable minerals or metals, when used and once destroyed, cannot be replaced. As to the reason why, I cannot say. But if the depletion principle is good for oil, which is depletable, for natural gas, which is depletable, for copper, lead, and zinc, which are depletable, good for sulfur, which is depletable, then these new minerals added by the bill should likewise be placed in that group. At least that is my viewpoint, and that is the reason why I am moving to strike out the repealing clause.

Mr. VANDENBERG. I am not disposed at the moment to argue the particular merits of the situation explained by the Senator. I am simply trying to identify the fact. My impression is that except for the three commodities the Senator first identified, all the other depletions here involved were sought from the Senate Finance Committee in connection with previous bills on the theory that it was a war depletion and that a war-depletion provision in the statute was all that the situation justified. I have not seen any evidence to the contrary, and it would seem to me that we should face the peacetime depletion problem on its merits when we reach it.

Mr. THOMAS of Oklahoma. Mr. President, I have stated the effect of my amendment. In the event that those who are sponsoring the inclusion of these minerals or metals in the war economy do not want them included after the war is over, of course, I then should be the last one to insist that they be retained in the depletion group. But I concede that for the purpose of war the deposits of those minerals will be drawn upon, and they may be largely depleted. I assert that immediately after the war will be too soon to terminate the depletion principle as to such minerals. I can say that in the tri-State zinc and lead area, which embraces a part of Missouri, Kansas, and Oklahoma, the richest deposits are gone. They are gone to such an extent that now the chat piles on top of the ground are being worked; and in order to obtain the lead and zinc from those chat piles, not only are high prices being paid, but, in addition to the high prices, subsidies are being paid, in order to get what lead and zinc may be obtained from the chat piles.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIS. Let me inquire how long the depletion allowance referred to has been in effect.

Mr. THOMAS of Oklahoma. On the three items since 2 years ago, as I recall.

Mr. WILLIS. It began after the present war began; did it?

Mr. THOMAS of Oklahoma. I think it was in the 1940 revenue bill, but I cannot be sure about that. I know the fight came on the floor of the Senate; and after the matter was discussed, a vote was had, and the Senate by substantial majority voted into the bill the depletion allowance on ball and sagger clay, rock asphalt, and fluor spar.

Mr. WILLIS. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I desire to place in the RECORD definitions of the various minerals which are herein accorded the depletion allowance principle.

The first one is beryl. This mineral, a silicate of beryllium and aluminum, of great hardness, and, when transparent, of much beauty, occurs in hexagonal prisms, commonly green or bluish green, but also yellow, pink, or white. Beryl is found in the States of South Dakota, New Hampshire, Colorado, Maine, New Mexico, and Virginia.

The next one is feldspar. This mineral is any of a group of minerals closely

related in crystalline form, and all aluminum silicates, either potassium, sodium, calcium, or barium. Feldspar is found in the States of North Carolina, South Dakota, New Hampshire, Colorado, Virginia, Wyoming, Connecticut, Maine, and California; and in smaller amounts it is found in the States of Arizona, New York, Pennsylvania, and Texas.

The next mineral or metal which is included in the group is flake graphite. In connection with it there are two definitions, the first being of flake. Flake is defined as a loose, filmy mass or a thin, chiplike or scalelike layer of anything; a film, flock, lamina, layer, scale, or strip; as, a flake of snow, ice, tallow, or fish. Graphite is defined as follows: A mineral; native carbon in hexagonal crystals, also foliated or granular massive, of black color and metallic luster, and so soft as to leave a trace on paper. Flake graphite is found in the States of Alabama and Pennsylvania.

The next item covered by the bill is lepidolite. It is likewise a mineral, and is a species of mica containing lithia. It usually occurs in rose-colored masses consisting of small scales. Spodumene is likewise a mineral, a monoclinic mineral of white to yellowish, purplish, or emerald-green color, occurring in prismatic crystals, often of great size. It is a lithium aluminum silicate. Lepidolite and spodumene are found in the States of South Dakota, California, North Carolina, and Maine.

The next mineral is mica. It is likewise a mineral, and is defined as any of a group of minerals crystallizing in forms apparently orthorhombic or hexagonal, but really monoclinic, and characterized by highly perfect cleavage, so that they readily separate into very thin leaves, more or less elastic. Mica is found in the States of North Carolina, South Dakota, New Hampshire, and Connecticut; and minor production occurs in Alabama, California, Colorado, Georgia, Idaho, Maine, Massachusetts, New Mexico, South Carolina, Texas, Vermont, and Virginia.

The next mineral included in this group is potash. Potash is defined as potassium carbonate, especially that obtained by leaching wood ashes, evaporating the lye, usually in iron pots, and calcining the residue. This yields crude potash, colored and very impure. Purified potash, a white solid, is often called pearl ash or pearlashes. Potash is found in the States of New Mexico, California, Utah, and Maryland.

The next mineral included in this group is talc. It is defined as mica of muscovite; a thin sheet of such mineral. It is also defined as a soft mineral of soapy feel, occurring in foliated, granular, or fibrous masses, usually whitish, greenish, or grayish in color. It is found in the States of New York, North Carolina, California, and Vermont.

The next mineral in this group is vermiculite. It is defined as a mineral, any of a number of micaceous minerals, as kerrite, maconite, and so forth, which are hydrous silicates derived generally from the alteration of some kind of mica.

It is so called because the scales open out when heated, sometimes producing long, wormlike forms. Vermiculite is found in the States of Montana, Wyoming, and North Carolina.

The next item is fluor spar. It is already covered in the law, and has the depletion principle; but if this section is not stricken, fluor spar will be stricken out, and will lose its depletion allowance as soon as the war is over.

Fluor spar is defined as fluorite. It is a mineral, calcium fluoride, CaF_2 , a transparent or translucent mineral of many different colors, crystallizing commonly in cubes with perfect octahedral cleavage, also massive. It is used as a flux. Fluor spar is found in the States of Illinois, Kentucky, Colorado, New Mexico, Nevada, Utah, Tennessee, and Washington.

The next mineral is ball clay and sagger clay. At the present time, they have now 15-percent depletion; but if this section is not stricken, ball and sagger clay will lose their depletion benefits after the conclusion of the war. Ball clay is found in the States of Kentucky, Tennessee, and New Jersey, with minor amounts found in Maryland, Mississippi, and Missouri. Sagger clay is found in the States of Tennessee, Kentucky, New Jersey, Ohio, Georgia, and South Carolina, with small amounts found in Illinois, California, Missouri, and Pennsylvania.

Rock asphalt now has a depletion allowance of 15 percent, but unless this section is stricken, rock asphalt will likewise lose its benefits after the war is over. Rock asphalt is found in the States of Texas, Oklahoma, Kentucky, Utah, Alabama, California, and Missouri.

Mr. President, those are the definitions of the minerals which are affected by this amendment. I have also named the States in which the various minerals are found. I now ask permission to have printed in the Record at this point as a part of my remarks a list of the States, showing for each State the minerals found in that State. That will give a cross-section reference, so that the record will be complete.

There being no objection, the list was ordered to be printed in the Record, as follows:

Maine: Beryl, feldspar, lepidolite, spodumene, mica.

South Dakota: Beryl, feldspar, lepidolite and spodumene, mica.

New Hampshire: Beryl, feldspar, mica.

Colorado: Beryl, feldspar, mica, fluor spar.

New Mexico: Beryl, mica, potash, fluor spar.

Virginia: Beryl, feldspar, mica.

North Carolina: Feldspar, lepidolite, spodumene, mica, talc, vermiculite.

Wyoming: feldspar, vermiculite.

Connecticut: Feldspar, mica.

California: Feldspar, lepidolite, spodumene, mica, potash, talc, ball and sagger clay, rock asphalt.

Arizona: Feldspar.

New York: Feldspar, talc.

Pennsylvania: Feldspar, flake graphite, ball and sagger clay.

Texas: Feldspar, mica, rock asphalt.

Alabama: Flake graphite, mica, rock asphalt.

Georgia: Mica.

Idaho: Mica.

Massachusetts: Mica.

South Carolina: Mica, ball and sagger clay.

Vermont: Mica, talc.

Utah: Potash, fluor spar, rock asphalt.

Maryland: potash, ball and sagger clay.

Montana: Vermiculite.

Illinois: Fluor spar, ball and sagger clay.

Kentucky: Fluor spar, ball and sagger clay, rock asphalt.

Nevada: Fluor spar.

Tennessee: Fluor spar, ball and sagger clay.

Washington: Fluor spar.

New Jersey: Ball and sagger clay.

Mississippi: Ball and sagger clay.

Missouri: Ball and sagger clay, rock asphalt.

Ohio: Ball and sagger clay.

Oklahoma: Rock asphalt.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. Has the Senator included barite in the list which he is now submitting?

Mr. THOMAS of Oklahoma. In answer to the Senator's question, whatever is done with the pending amendment, barite will remain in the bill.

Mr. BARKLEY. Mr. President, I shall support the Senator's amendment. I think there was a basis for the Committee on Finance and the Congress, including fluor spar and the other minerals, as there is in the case of many other allowances of depletion in the case of minerals and oil. I happen to know more about fluor spar than any of the other items, because it is produced in my section of Kentucky and across the river in Illinois.

Deposits of fluor spar are greatly limited in territory. I should say that the deposits of fluor spar, which is an absolutely necessary commodity in the manufacture of steel, are overwhelmingly located in western Kentucky and southern Illinois. The same vein runs from Illinois across the river. The vein is cut by the river, and it continues into Kentucky. There is no way to increase those deposits, and no large amount of prospective fluor spar has been discovered or located elsewhere in the United States. So it seems to me that there is a just basis for the permanent inclusion of these minerals and metals.

The other items, in their respective fields, occupy the same status. The supplies are bound to be exhausted. What will take their places when they are exhausted, of course, I do not know. Humanity has a way of finding something to take the place of some natural product which is exhausted, but that is a matter for the future. There is no way to increase the supply or the deposits. It is costly to produce these things. As a rule the deposits are not owned by large companies, adequately financed. I happen to know that some of the producers have been compelled to borrow money from the R. F. C. in order to continue operations.

I know of no reason why there should be any different kind of treatment of these natural resources found in restricted geographical locations, with no prospect for enlargement, when there is bound to be ultimate exhaustion. I know of no reason why they should not be allowed the same depletion, not simply during the war but on the same basis as

other minerals and oil. Fluor spar is always necessary in the manufacture of steel, not only in wartime but at all times. It is absolutely indispensable in the manufacture of steel. I hope the Senator's amendment will be adopted. Otherwise, at the end of the war we must either enact another law including such minerals, or they will be denied the depletion allowance which other minerals are now enjoying.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I was not a member of the Finance Committee in the early days when the original minerals and metals received their depletion allowance. I have been a member of the committee for the past few years, when these new additions to the list have been accepted by the committee, only when the War Production Board, as the Senator will recall, has certified that they are a war necessity. Can the Senator from Kentucky tell me why, in the first instance, these later minerals, which have recently been exempted on a war basis, were not originally exempted on a standard basis?

Mr. BARKLEY. I am not sure that I was a member of the Committee on Finance when the original exemptions were allowed. I think they antedate my membership on the committee. But I think I can answer the question of the Senator in this way: The minerals which are now included on a war basis were not generally known. They had not been explored and developed at the time of the original allowance for depletion, to the extent to which they have been developed since. The Congress was lacking in knowledge with respect to them. Those who had invested their money in them and were interested in their development had not presented the case to Congress, as others in other fields had done.

I speak of fluor spar because I know about it. I am satisfied that the same justification can be made for the other minerals. If this allowance is necessary as a war measure, which the War Production Board certified to the committee was true, I do not see why it will not be necessary when the war is over and we shall still be trying to develop the manufacture and use of steel in other fields than the manufacture of war implements. I do not see any reason for denying that exemption simply because the producers of these minerals came in late, at a time when the war was in progress. I think there is a fair basis for the same treatment that other minerals receive in times of peace.

Mr. VANDENBERG. I think there is something to be said for the Senator's point of view; but I find myself confronted with this rather challenging thought: Obviously there must have been a reason why these later minerals were not included in the original depletion allowance. We know that the present depletion allowance was made on the basis of the plea of war necessity, and on the basis of certification by the War Production Board. It seems to me that it would be far more logical to leave these

war allowances on a war basis until the war is over, and then canvass the question of the eligibility of the particular minerals for permanent depletion in time of peace, after we have heard from the Treasury Department and taken some testimony on the subject. I know of no testimony whatever on the subject at the present time.

Mr. BARKLEY. We all know that the attitude of the Treasury Department is against all depletion allowances. That has been the traditional attitude of the Treasury Department. It objects to such allowances. I respect the opinion of the Treasury Department. It objects to all depletion allowances, just as it objects to the depletion allowances which are now in the law, and have been in the law for years. It is the attitude of the Treasury Department that there ought not to be any allowance whatever for depletion. That is a consistent attitude if that is the view one takes of it, but I do not find myself in accord with that view as a general proposition.

We had no War Production Board with which to deal until the war came and such a board was created. If we had had a similar board in years past, before we got into the war, a board whose function it was to recommend legislation of this kind, I do not know what might have happened in regard to these items; but the mere fact that Congress did not see fit to make similar allowances for depletion in the case of minerals which have come into more general use recently than formerly does not afford me a basis for believing that we ought to put such minerals on another basis. These minerals have been accorded a depletion allowance as a war measure. I know that the producers of many such minerals have lost money. They have taken a chance and have invested their money in mineral deposits and enterprises from which they have received no great profits, even in wartime.

Mr. THOMAS of Oklahoma. The prices are all frozen.

Mr. BARKLEY. The Senator from Oklahoma [Mr. THOMAS] reminds me of the fact that the prices on all these articles are frozen. The producers have no voice in what they are to receive for their products. Of course, it is a war measure, but it may be, depending on the economic situation, that it will have to be extended after the war has come to an end. I do not predict that, but it is possible. There is now a great deal of discussion as to whether price ceilings and regulations should be extended beyond the actual termination of the war.

In view of the fine work which these small concerns have done in developing new materials which are essential, I think it would be most unfortunate for them now to be placed back upon a pre-war basis which in many cases, I believe, would result in their complete liquidation.

Mr. VANDENBERG. Mr. President, all that the able Senator from Kentucky has said may be true. I am merely asserting that there is no proof before the Senate Finance Committee that what he has said is true. I happen to have a

geographical interest in one of these minerals; but I must say that no case has been made in its behalf for a permanent depletion allowance. There may be a perfectly good case. The able Senator from Kentucky and the able Senator from Oklahoma may be entirely correct. I am merely asserting that, so far as the Senate Finance Committee, from which this bill emanates, is concerned, there has been justification on a war basis for a temporary depletion allowance during the war at the recommendation of the War Production Board. No case has been made out for a permanent depletion allowance, and it seems to me that the allowance should be suspended at the end of the war. At that time the case can be presented on its merits before a proper committee and on a basis of adequate testimony in order to determine whether my able friends are correct in asserting that they can prove the eligibility of these products for permanent depletion. I merely repeat that it has not yet been proved before the Senate Finance Committee, and no testimony whatever has been taken on the subject.

Mr. BARKLEY. In that connection, in the hearings which were held on this particular bill no additional testimony was offered upon the point to which the Senator refers. However, in hearings held in the past before the Finance Committee, testimony was produced on behalf of some of these items, not based on a war foundation at all. The mere fact that when the committee heard the testimony which had been adduced theretofore, it limited the depletion allowance to the duration of the war, does not mean that evidence has not been presented to the committee which would justify a permanent depletion allowance. Committees are frequently asked to do things on the basis of permanent justice. As a sort of compromise, and upon the recommendation of someone, they afford only temporary relief. As the Senator from Michigan may recall, it is not correct to say that there has been no testimony on this subject on the basis of its merits. I recall that a year ago there was testimony. There was none in connection with this particular bill, because the committee tried to limit the hearings as much as possible, and everyone tried to respect the wishes of the committee. I think it is true that no one came before the committee in connection with this particular bill to offer testimony on these items.

Mr. GEORGE. Mr. President, I oppose this amendment, and I express the hope that the Senate will not approve it. It is proposed to place upon a permanent basis for depletion allowance a large number of metals and clays with respect to which depletion allowances have been made during the war. They were made for the purpose of encouraging production for war purposes.

I wish to remind the Senate that with respect to all strategic minerals, not only have depletion allowances been made, but producers have been exempted from excess-profits taxes, and have been given preferences which would be most difficult for anyone to justify in peacetime.

In addition, bonuses have been given by the war agencies for production in certain quantities.

What is the situation? In 1926, after a thorough investigation, Congress allowed a percentage-depletion allowance on certain minerals which had already had a discovery allowance, which had been enjoyed by producers of those minerals, such as oil, for a number of years. The discovery allowance was found most difficult to administer, and after long study and thorough investigation a percentage-depletion allowance was given to producers of oil and certain metals in lieu of the discovery allowance which had theretofore been enjoyed. The program was not a haphazard one. It was adopted on the basis of careful investigation and study. It was determined that oil was entitled to a certain percentage-depletion allowance in lieu of the advantages which it had therefore enjoyed. It was discovered that sulfur was entitled to a certain percentage depletion.

What has happened? We have brought in ball and sagger clay, vermiculite—and God knows what—and have given them a percentage depletion in wartime without any study whatever as to whether, in computing the taxable income of the producers, the 15-percent depletion allowance bore any relation to values, quantity, or what not.

In this particular section fluor spar, flake graphite, and vermiculite are classed as strategic minerals and metals. They are exempted. Those who produce them in this period of our economic life are exempted from excess-profits taxes. They are given a wartime percentage depletion, and now it is proposed to extend that percentage depletion into peacetime after the war without any study being made as to whether 15 percent is the correct amount, or whether it should be 3 percent, 4 percent, 5 percent, or nothing whatever.

Is the Congress merely to guess at what is a proper percentage depletion on metals and minerals of this character? If it develops that the producers should have a permanent depletion allowance in computing their taxable incomes, that can be determined after the war. But there are no data before us concerning the subject; no study or investigation has been made, and there is no representation as to quantities, or as to whether or not any discovery costs were incurred in bringing such metals and minerals into production. Merely because, after long years of discovery allowance for other metals and minerals—a method which was found impractical, or at least difficult of administration—we substituted a percentage depletion for those metals; we are now being asked to put upon a permanent basis other minerals and metals which are already receiving preferential treatment.

Let me call attention to the fact that vermiculite is one of the minerals to which permanent percentage depletion is given if this amendment prevails. Vermiculite is a direct competitor of as-

bestos and of insulating wool products that have no percentage depletion allowance. Is it fair, is it equitable, does it square with common sense to take one competitive article and, without any study, give to it preferential treatment as against asbestos and mineral wool by allowing it 15 percent by way of deduction in computing its taxable income? The real use of vermiculite is for insulation; so is the real use of asbestos, so is the real use of mineral wool, and that will be the main peacetime use. I am using it merely by way of illustration. It would be a mistake to put these minerals on a permanent percentage depletion basis at this time without study of the competitive conditions and without demanding that sufficient data be furnished so as to enable the Congress, if it is proper hereafter to fix a permanent deduction for percentage depletion, to say what it should be. We have simply lumped them all together; they are all given 15 percent in computing their taxable income. It certainly will, I must say, upset competitive conditions and widen a gap in the Federal income-tax laws as applicable to corporations that will one day, in all probability, lead to the elimination or curtailment of the percentage depletion given to oil and to other minerals. So I hope, Mr. President, that this amendment will be rejected.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Radcliffe
Austin	Guffey	Revercomb
Bailey	Gurney	Reynolds
Ball	Hayden	Robertson
Bankhead	Hill	Russell
Barkley	Holman	Shipstead
Bilbo	Johnson, Colo.	Stewart
Brewster	Kilgore	Taft
Bridges	La Follette	Thomas, Idaho
Buck	Langer	Thomas, Okla.
Burton	Lodge	Thomas, Utah
Bushfield	McCarran	Tobey
Butler	McClellan	Truman
Byrd	McFarland	Tunnell
Caraway	McKellar	Tydings
Chavez	Maloney	Vandenberg
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh, Mass.
Davis	Moore	Walsh, N. J.
Eastland	Murdock	Wheeler
Ellender	Murray	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Seventy-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). Mr. President, I ask to be excused from voting on this amendment.

I am personally interested in one of the items affected, namely, talc.

The PRESIDING OFFICER. Shall the Senator from Vermont, for the reasons assigned by him, be excused from voting? [Putting the question.] The "ayes" have it, and the Senator is excused.

Mr. THOMAS of Idaho (when his name was called). I have a pair with the junior Senator from Florida [Mr. PEPPER]. Not knowing how he would vote if present, I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. WALLGREN. The senior Senator from Washington [Mr. BONE] is unavoidably absent. I understand that if present he would vote "yea" on the pending amendment.

Mr. THOMAS of Oklahoma (after having voted in the affirmative). I change my vote from "yea" to "nay."

Mr. BANKHEAD (after having voted in the affirmative). I have a general pair with the senior Senator from Oregon [Mr. McNARY], which I transfer to the senior Senator from South Carolina [Mr. SMITH], and permit my vote to stand. I am advised that, if present and voting, the Senator from South Carolina would vote "yea."

Mr. BUTLER. My colleague the junior Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present, he would vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from South Carolina [Mr. SMITH], the Senator from Indiana [Mr. VAN NUYS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Illinois [Mr. LUCAS] and the Senator from Florida [Mr. PEPPER] are detained on public business.

The Senator from New Mexico [Mr. HATCH] and the Senator from Wyoming [Mr. O'MAHONEY] are detained because of slight colds.

The Senator from California [Mr. DOWNEY] is detained in one of the Government departments on matters pertaining to the State of California.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Illinois [Mr. Brooks] is absent on official business.

The Senator from New Jersey [Mr. HAWKES] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Kansas [Mr. REED] is unavoidably detained. He has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Michigan [Mr. FERGUSON] and the Senator from Kansas [Mr. CAPPER] are unavoidably detained on official business.

The result was announced—yeas 34, nays 38, as follows:

YEAS—34

Andrews	Hill	O'Daniel
Bankhead	Holman	Overton
Barkley	Johnson, Colo.	Revercomb
Bilbo	Kilgore	Stewart
Bushfield	McCarran	Thomas, Utah
Caraway	McClellan	Truman
Chavez	McFarland	Tunnell
Connally	McKellar	Wallgren
Eastland	Mead	Wheeler
Ellender	Millikin	White
Gurney	Murdock	
Hayden	Murray	

NAYS—38

Aiken	Gerry	Robertson
Bailey	Gillette	Russell
Ball	Green	Shipstead
Brewster	Guffey	Taft
Bridges	La Follette	Thomas, Okla.
Buck	Langer	Tobey
Burton	Lodge	Tydings
Butler	Maloney	Vandenberg
Byrd	Maybank	Walsh, Mass.
Clark, Mo.	Moore	Walsh, N. J.
Danaher	Nye	Wiley
Davis	Radcliffe	Willis
George	Reynolds	

NOT VOTING—24

Austin	Glass	Reed
Bone	Hatch	Scrugham
Brooks	Hawkes	Smith
Capper	Johnson, Calif.	Thomas, Idaho
Chandler	Lucas	Van Nuys
Clark, Idaho	McNary	Wagner
Downey	O'Mahoney	Wherry
Ferguson	Pepper	Wilson

So the amendment of Mr. THOMAS of Oklahoma was rejected.

Mr. THOMAS of Oklahoma. Mr. President, I enter a motion to reconsider the vote by which the amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GEORGE. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. GEORGE] to lay on the table the motion of the Senator from Missouri [Mr. CLARK] to reconsider the vote by which the amendment was rejected.

Mr. THOMAS of Oklahoma. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. After I have entered a motion to reconsider, I make the point of order that it is not then in order for another Senator to make a motion to reconsider.

Mr. CLARK of Missouri. Of course, Mr. President, the practice of the Senate is that a Senator may enter a motion to reconsider and leave it open indefinitely, until the measure is passed. When such a motion is entered, any Senator who voted on the prevailing side has the right to make a motion to reconsider, which right I have exercised. The Senator from Georgia moved to lay on the table my motion to reconsider.

The PRESIDING OFFICER. The Chair holds that the Senator from Missouri has a right to make the motion. The Senator from Georgia has moved to lay on the table the motion to reconsider, and that is the question before the Senate.

XC—20

Mr. THOMAS of Oklahoma. I ask for the yeas and nays on the motion to table. The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. AUSTIN (when his name was called). Mr. President, I repeat the request I made on the last vote, to be excused from voting on the question.

The PRESIDING OFFICER. Without objection, the Senator will be excused from voting.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. McNARY]. I transfer that pair to the senior Senator from South Carolina [Mr. SMITH], who I am advised would vote "nay," and will vote. I vote "nay."

The roll call was concluded.

Mr. REED (after having voted in the affirmative). I transfer my general pair with the Senator from New York [Mr. WAGNER] to the Senator from Nebraska [Mr. WHERRY], and allow my vote to stand.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Washington [Mr. BONE], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Tennessee [Mr. MCKELLAR], the Senators from New York [Mr. MEAD and Mr. WAGNER], the Senator from South Carolina [Mr. SMITH], and the Senator from Indiana [Mr. VAN NUYS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] and the Senator from Wyoming [Mr. O'MAHONEY] are detained because of slight colds.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

The Senator from California [Mr. DOWNEY] is detained in one of the Government departments on matters pertaining to the State of California.

The Senator from Illinois [Mr. LUCAS] and the Senator from Florida [Mr. PEPPER] are detained on public business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from New Jersey [Mr. HAWKES] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Kansas [Mr. CAPPER] are unavoidably detained on official business.

The result was announced—yeas 37, nays 34, as follows:

YEAS—37

Aiken	George	Robertson
Bailey	Gerry	Russell
Ball	Green	Shipstead
Brewster	Guffey	Taft
Bridges	La Follette	Tobey
Buck	Langer	Tydings
Burton	Lodge	Vandenberg
Bushfield	Maloney	Walsh, Mass.
Butler	Maybank	Walsh, N. J.
Byrd	Moore	Wiley
Clark, Mo.	Nye	Willis
Danaher	Radcliffe	
Davis	Reed	

NAYS—34

Andrews	Hill	Revercomb
Bankhead	Holman	Reynolds
Barkley	Johnson, Colo.	Stewart
Bilbo	Kilgore	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chavez	McClellan	Truman
Connally	McFarland	Tunnell
Eastland	Millikin	Wallgren
Ellender	Murdock	Wheeler
Gillette	Murray	White
Gurney	O'Daniel	
Hayden	Overton	

NOT VOTING—25

Austin	Hatch	Scrugham
Bone	Hawkes	Smith
Brooks	Johnson, Calif.	Thomas, Idaho
Capper	Lucas	Van Nuys
Chandler	McKellar	Wagner
Clark, Idaho	McNary	Wherry
Downey	Mead	Wilson
Ferguson	O'Mahoney	
Glass	Pepper	

So Mr. GEORGE's motion to lay on the table the motion to reconsider was agreed to.

Mr. WALSH of New Jersey. Mr. President, I have offered an amendment to the pending revenue bill, which has been printed and is on the table, and I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 154, at the end of line 6, it is proposed to add a new section reading as follows:

SEC. 603. Payment of unforgiven tax. Section 6 (e) (1) of the Current Tax Payment Act, 1943, is amended by adding at the end thereof the following new sentence: "Where the election prescribed above is made by the taxpayer, he may further elect to pay the amount not otherwise extended in four equal quarterly installments, the first installments of which would be due on the date the entire amount would have become payable but for this sentence."

Mr. WALSH of New Jersey. Mr. President, this amendment simply proposes a liberalized method for the payment of the unforgiven portion of income taxes scheduled to commence on March 15 of this year. As the Members of the Senate will recall, the Congress, in enacting the 1943 Tax Payment Act, wisely and properly took into consideration the fact that the withholding tax might well serve to handicap taxpayers in the accumulation of cash with which to meet the unforgiven tax payments, and the Congress provided that half of such unforgiven taxes could be paid on March 15, 1944, and the other half on March 15, 1945.

While I have no desire further to complicate the present tax situation, or to add to the difficulties of the distinguished Senator from Georgia or those of the Senate Finance Committee, I do feel that the Senate might well give favorable consideration to further alleviation of the hardship bound to be created on March 15 by providing in the pending tax measure that unforgiven tax payments may be made on a quarterly basis. The proposed amendment seems to have sound precedent in the fact that income-tax payments for many years have been permitted to be made on a quarterly basis, and the favorable consideration of this plan by the Senate will be of distinct aid and simple justice to many thousands

of taxpayers. Furthermore, and, of course, equally important, the adoption of the proposed amendment would not reduce the over-all tax receipts over the calendar year.

It might be said that, as the forms for the payment of 1944 taxes have already been distributed, this proposed amendment may create certain complications. However, I strongly suspect that there will be considerably less paper work and effort involved in getting to the taxpayers the information regarding this liberalized feature than the paper work and effort that will be required to collect the unforgiven portion of the taxes on the March 15 lump-sum basis.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. WALSH].

Mr. GEORGE. Mr. President, I should not ordinarily object to an amendment of this kind, and I regret to do so; but all the forms for the 1943-44 tax have been printed, and all those forms call for the payment of one-half of the unforgiven tax—25 percent of the original tax—on March 15. Also, I call the attention of the Senator from New Jersey to the fact that, upon application to the Commissioner, if any taxpayer is suffering any undue hardship by the payment of the full tax, he may have his tax split up into quarterly payments. So a taxpayer is not without remedy. The forms have been printed at some considerable cost. Moreover, although this is a minor point, the estimates are based on the fiscal year ending June 30, so that if we were to split this up for all taxpayers, the estimates would be somewhat out of line.

But because the forms have been printed, and because any taxpayer may, in a hardship case, have his tax split into installments, I feel it would be unwise to accept the amendment. Therefore, I am compelled to oppose it.

Mr. WALSH of New Jersey. Mr. President, to suggest that there is any way left further to complicate the present tax form is, I think, of itself an extremely interesting observation. I think the question, "How could one further complicate the present tax form?" should be the \$64 question on next Sunday's radio quiz program.

However, I wonder if the Senator from Georgia would consider taking this matter to conference, to see if perhaps something could be worked out, because, while it is true that the taxpayer may ask for relief in the form of a postponement, he must pay 6 percent for such postponement, and the great number of taxpayers on whom the present lump-sum payment will cause great hardship will create so much confusion to the Government by requesting the postponement that the net gain on the 6-percent basis will be nil.

Mr. GEORGE. Mr. President, I shall be happy to take the matter to conference, but I thought I should make the statement that, inasmuch as the forms have been printed, and inasmuch as, in most instances, taxpayers may obtain relief, it is not likely that the amendment

will be sustained. But I shall have no objection to taking the amendment to conference.

Mr. WALSH of New Jersey. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. WALSH].

The amendment was agreed to.

Mr. CLARK of Missouri. Mr. President, I move to strike out section 112 of the bill, beginning on page 39, and extending through page 40 and almost to the bottom of page 41.

Pending that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Radcliffe
Andrews	Gillette	Reed
Austin	Green	Revercomb
Bailey	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Shipstead
Bilbo	Hill	Stewart
Bone	Holman	Taft
Brewster	Johnson, Colo.	Thomas, Idaho
Bridges	Kilgore	Thomas, Okla.
Buck	La Follette	Thomas, Utah
Burton	Langer	Tobey
Bushfield	Lodge	Truman
Butler	McCarran	Tunnell
Byrd	McClellan	Tydings
Capper	McFarland	Vandenberg
Caraway	McKellar	Van Nuys
Chavez	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Wheeler
Downey	Murdoch	White
Eastland	Murray	Wiley
Ellender	Nye	Willis
Ferguson	O'Daniel	
George	Overton	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. CLARK of Missouri. Mr. President, the amendment which I have offered, and which is now before the Senate, is to strike out all of section 112, as amended, beginning on page 39, after line 15, and extending to the end of line 19 on page 41 of the bill.

This is the provision which requires income-tax returns from certain organizations which are exempt under the present law from paying income taxes. Most notable of the cases to which the provision is intended to apply are the farm cooperatives of the United States, now exempt from paying taxes because they are purely cooperative organizations, and the labor unions of the United States, now exempt from paying taxes on their intake because they are organizations which are created to implement a right now universally admitted, the right of collective bargaining.

The support for this provision in the House bill does not dare recommend that either of these two great classes of organizations be taxed—either farm cooperatives, which have no organization profit, or labor unions organized for the

purpose of perpetuating the right of collective bargaining. I dare say that if the direct proposal to tax either class of organizations were to come before the Senate it would be defeated easily, and by a substantial majority.

This is a proposal, Mr. President, devised and put into the bill by an organization the name of which I have forgotten, but the headquarters of which are in the city of Chicago. This organization, the expenses of which, I dare say, are largely paid by the implement companies and the other great corporations of the country which are in the habit of preying on farmers, was organized to fight the farm cooperatives.

It seems so clear as hardly to require contradiction that Congress, in enacting numerous measures during the past few years to guarantee to labor the right of collective bargaining—a right which is not denied in these times even by the most reactionary—did not intend, on top of that, to impose a tax on the machinery and instrumentalities by which collective bargaining is achieved. At the same time, Mr. President, it seems inconceivable to me that the Congress would be willing seriously to consider a proposal for taxing the income of farm cooperatives, which are mere agencies for trying to apply the principle of collective bargaining to the farmer, both as to his purchases and as to his sales, and which are sufficient in extent only to be a brake on the extortions of some of the corporations which had been in the habit in previous times of preying upon the farmers of the United States. The cooperatives have no profits which are kept for the organizations themselves, because the profits are all immediately distributed to the members of the cooperatives, and are taxable as personal income of the members. It seems inconceivable to me that the Congress should consider a proposal to tax their income.

Mr. President, this is a specious proposal, because it is urged that there is no reason why such organizations should not make returns. The proponents of the proposal are afraid to come forward with a bald, naked proposal to tax such organizations. They come forward by indirection with the idea that they ought to be compelled to make returns. The next step would be to try to bring about their taxation.

The proposal to strike out this section was defeated in the Finance Committee once by a tie vote. On reconsideration it was defeated by one vote. I deem it proper to bring the matter to the attention of the Senate, because while the matter was considered in the Finance Committee, there was practically an even division of opinion in the committee as to the merits of the proposal.

The Finance Committee did adopt an amendment to this section. It excepted certain fraternal organizations, such as the Moose, the Eagles, the Elks, and several other organizations, from the requirement of making returns. I have no quarrel with that amendment. I voted for it. I thought it was proper. I believe that some of the organizations which, without the committee amend-

ment would have been required to make returns are among the most beneficial organizations in the United States. The Shriners, for example, with their homes for crippled children at St. Louis and San Francisco, have done some of the noblest work that has been done by public-spirited institutions and organizations. The Moose have done a great work through their home at Mooseheart. I do not think they should be included. I should like to have someone explain to me why the Moose, the Eagles, the Shriners, and the Knights of Columbus, who have done magnificent work, should be excluded from the provisions of this section, while institutions such as the great farm cooperatives, organized for the purpose of providing a check on the extortions of corporations which have been in the habit of preying on the farmers, both as buyers and sellers, and labor unions, organized to assert and promote the right of collective bargaining, should be included.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. CHAVEZ. I do not believe that the Senator from Missouri should bring in the organizations which he mentions when discussing the matter of the unions. Of course, anyone has the right to join the Moose, or the Knights of Columbus, or the Elks. That is a matter between the individual and the lodge itself. So far as collective bargaining is concerned, the Senator is correct. However, when a labor union—and I say this with all due deference, respect, and kindness to them—when a labor union insists that an American citizen must pay tribute to it before he can work for the Federal Government, I think that the principle involved is entirely different from the one involved in joining the Elks or the Moose.

Mr. CLARK of Missouri. Mr. President, may I say to the Senator from New Mexico that, so far as the proposition which he advances is concerned, it seems to me to be an entirely different one. If extortion has been practiced by labor unions it should be corrected by a proper law.

In recent days the newspapers have undertaken to inject into this question the fact that some labor organizations are raising campaign funds in effect to try to "buddle" the next election. I believe that is a matter which should be handled by adequate laws. I do not believe it is proper for Congress at this time to impose a tax upon labor's right to organize for collective bargaining, and I certainly do not think it should be done by indirection.

If a tax is to be imposed, provision for it ought to be brought in as a blunt proposition which men can understand, and it should not be presented to the Congress by indirection, or as a method of harassment of either the farm cooperatives, the labor unions, or anyone else who is included in this matter.

Mr. CHAVEZ. We will all agree with the Senator from Missouri that there should not be a tax on the right of labor to organize for collective bargaining. But when labor goes beyond that point,

at a time when the American Government and the American people, in their war effort, are paying for a particular project, and requires those who work on the project to pay tribute, why should we not tax the tribute assessed against a person in order that he may work for the American people?

Mr. CLARK of Missouri. Mr. President, I may say only that if the Senator from New Mexico desires to offer an amendment to tax labor unions, no one would be more competent to draft such an amendment than he. It would be a concrete proposition, which could be understood, rather than an inchoate proposal, approaching the subject by indirection. If the Senator from New Mexico believes that labor unions ought to be taxed, the thing for him to do is to submit an amendment to that effect instead of endeavoring to approach the matter by indirection as has been done in the House bill.

Mr. CHAVEZ. Mr. President, will the Senator further yield?

Mr. CLARK of Missouri. I yield.

Mr. CHAVEZ. I believe in labor unions.

Mr. CLARK of Missouri. So do I.

Mr. CHAVEZ. I believe in the right of collective bargaining.

Mr. CLARK of Missouri. So do I. Even if I disagree with some of their policies at certain times, I believe in the right of labor to bargain collectively. The House provision, as I see it, and the amendments to it, simply constitute an attack on that right by indirection, made by organizations which do not have the courage to come forward with the blunt proposal to tax persons whom they say are doing certain things, and should be taxed.

Mr. CHAVEZ. Mr. President, I would not take a back seat to any Member of this body in his interest in labor unions.

Mr. CLARK of Missouri. I know no one who would ask the Senator from New Mexico to take a back seat on any occasion in the consideration of anything.

Mr. CHAVEZ. No; and I thank the Senator from Missouri for giving me this opportunity to speak.

But this is what I have in mind and this is what I complain about; I believe in collective bargaining; I believe in unionism, but when the Government calls our boys and says to them in effect, "You are to go to far-off places to fight the Japs," I do not believe that it should be necessary for an American citizen to pay tribute to a labor union, or to the Knights of Columbus, or to any other organization, in order to work for the welfare of the country.

Mr. CLARK of Missouri. Mr. President, I certainly have no quarrel with the Senator from New Mexico respecting his pronouncement. However, it seems perfectly clear to me that the language of the House provision which I am seeking to have stricken out has nothing to do with the views which have been expressed by the Senator from New Mexico. The language is not designed to reach any racketeering by anyone. It is simply an indirect way of approaching a tax without actually adding a single

penny to the revenue of the Government. The only possible effect of it at the present time is merely to add to the burdens of American citizens in making tax returns, most of whom already have too many returns to make.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BREWSTER. Does not the Senator recognize the informational character of the returns which would be involved?

Mr. CLARK of Missouri. Mr. President, I am very doubtful about the informational value of returns. As a member of the Finance Committee, I have examined some of the forms which are being prepared for the new income tax, and I do not believe there is any information in them. I doubt whether any of the forms now being required by the Bureau of Internal Revenue would have any informational value.

Mr. BREWSTER. I would hesitate to quarrel with a member of the Finance Committee on the subject of the returns which have been formulated under the provisions of the law, and I quite agree with him as to their complexity. But does not the Senator from Missouri realize that an organization which is able to contribute \$500,000 to a political campaign might perhaps give the American public, or the internal-revenue authorities, information as to the source of its revenues?

Mr. CLARK of Missouri. Mr. President, so far as the question of contributions to political campaigns is concerned, I think that the matter should be regulated by penal prohibitory statutes which would prohibit such contributions being made.

Mr. BREWSTER. Has it not been done?

Mr. CLARK of Missouri. In my opinion, it has been done. I understand there is contrary legal opinion, and the matter has now been submitted to the Attorney General of the United States. I may say that I made my living for most of my adult life by the practice of law, and I would perhaps personally rely more on my own legal opinion than I would on the opinion of the Department of Justice. In my opinion, the law at the present time does prohibit such contributions. However, it certainly does not seem to me that the way to reach that question to any degree whatever is by the requirement of furnishing such information in a tax return.

Mr. BREWSTER. No; I agree with the Senator that the way to handle the matter of campaign contributions is by direct legislation, which we thought had been passed.

Mr. CLARK of Missouri. My legal opinion is that it has been passed.

Mr. BREWSTER. Does it not seem to the Senator that those concerned with the financial problems of the Government in these rather difficult times may well be interested further in the financing of organizations which, in one instance, contributed \$500,000 to a recent political campaign, and in another instance just proclaimed to the world that

they will contribute \$700,000 to a political committee as a starter to the campaign? I understand the chairman of the committee—

Mr. CLARK of Missouri. Allow me to say to the Senator from Maine that my opinion and my information are that the section of the bill under discussion is not directed to labor unions at all. The labor unions have not been particularly interested or active in opposition to it.

Mr. BREWSTER. Mr. President, I submit that the Senator from Missouri was the one who brought the question of labor unions into the discussion.

Mr. CLARK of Missouri. I mentioned them because the section applies to them. The section is directed primarily at farm cooperatives, and the amendment was originally sponsored by an organization—as I have said, I have forgotten its correct title, but its headquarters are in the city of Chicago—which was organized for the sole purpose of fighting farm cooperatives, and was also organized in the interest of some of the corporations who have been in the habit of plundering farmers for many years, and whose activities have been checked by such non-profit organizations as, for example, the Missouri Farmers' Association, with which I happen to be familiar.

Mr. BREWSTER and Mr. AIKEN addressed the Chair.

Mr. CLARK of Missouri. I yield first to the Senator from Maine, and then I shall yield to the Senator from Vermont.

Mr. BREWSTER. I referred to labor unions because the Senator from Missouri brought the question up.

Mr. CLARK of Missouri. I mentioned the subject of labor unions because the House provision in terms applies to labor unions, but this section is essentially directed not to labor unions but to farm cooperatives.

Mr. BREWSTER. I should like simply to finish for the Record the statement I made as to the \$700,000 contribution which was proclaimed by Mr. Philip Murray as directed to the political committee he had formed, and to an estimate by the chairman of that committee, and from an apparently authoritative journal, that this committee contemplates a campaign fund of \$5,000,000. When they get to dealing in funds of that character, certainly it would seem that they can have no just objection if the revenue authorities of this Government at least indicate an interest in the source and the expenditure of their revenues. They certainly are becoming big business in a big way. The Senator speaks of collective bargaining. A \$700,000 campaign fund is not for bargaining collectively. It is for bargaining politically. It seems to me that none can seriously object if they are asked simply to give an accounting to the proper authorities. I say that so far as the union aspect of the question is concerned, I sympathize greatly with the Senator's position regarding farm cooperatives.

Mr. AIKEN. Mr. President, will the Senator from Missouri yield?

Mr. CLARK of Missouri. I yield to the Senator from Vermont.

Mr. AIKEN. There must be a good deal of misunderstanding as to what section 112 provides. From the remarks of the Senator from Maine, he apparently feels that the public should be better informed as to the income and expenditure of labor unions and other organizations. Section 112 requires, as I understand it, that returns shall be made to the Commissioner of Internal Revenue, but he will have no right whatsoever to let the public know anything that is in the reports which may be submitted.

Mr. CLARK of Missouri. The Senator from Vermont is entirely correct.

Mr. BREWSTER. Mr. President, I think in my initial language I made it clear that this was for the governmental authorities concerned with the fiscal problems of the Government and the country. I quite understand the limitation. It has only been once that returns have been made public. But, in view of what the Senator from Missouri has just stated, that he had examined these returns, as was his province in the responsible position he occupies, I think the Congress might well be interested.

Mr. AIKEN. Mr. President, I believe, under the circumstances, if the returns are made that they probably should be made public. The public seems to have the feeling that if the returns are made they are going to find out something about the income and expenditures of labor unions and farm cooperatives. I agree with the Senator from Missouri in my understanding that this section is aimed primarily at farm cooperatives.

Mr. CLARK of Missouri. There can be no question about that. It just happens to catch labor unions.

Mr. AIKEN. And is sponsored by organizations that feel the competition of farm cooperatives and are out to check and stop it.

I understood that other Senators would cover that ground and are prepared to do so a little later, and I shall not go into it now; but I have talked with a good many representatives of the farm cooperatives and I find that they are unanimously against this section. So far I do not know of any farm cooperative or farm organization that is for section 112. I shall support the motion of the Senator from Missouri.

Mr. GEORGE. Mr. President, I may suggest to the Senator that I have in my possession a statement from the Farm Bureau Federation that they have no objection to this, though they did suggest an amendment or two. On inquiry, however, I find that the amendments are not necessary because the existing law covers the point they had in mind.

Mr. AIKEN. The communication from the farm organization referred to, however, is not available and it has not been put into the Record.

Mr. GEORGE. No; I did not put it into the Record, but it is in my office and I can send for it.

Mr. AIKEN. I will say that the American Farm Bureau Federation is not a farm cooperative, so far as I know; but in my section of the country, at least, nearly all the members of the Farm Bureau Federation are members of co-

operatives and those cooperatives are certainly opposed to section 112.

Mr. GEORGE. That may be.

Mr. CLARK of Missouri. The Senator from Georgia will certainly recognize that there is a very great difference between the Farm Bureau Federation and some of the other large farm organizations, which are simply made up of farmers, and farm cooperatives, which are business organizations.

Mr. GEORGE. But I did not want the statement to go unchallenged that no organization of farmers was in favor of the provision. I have a statement from two organizations in which they say that with certain amendments, which are wholly unnecessary because the existing law covers the situation, they would have no objection. They did insist that they ought to be allowed to file their returns with a division of the Department in Washington rather than in the field. I think that probably was due to the fact that they thought that some competitive enterprises might have access to the returns, although that would not be true, of course.

Mr. CLARK of Missouri. I have no desire whatever to quibble with the Senator from Georgia as to terms, but the fact is that there is no identity whatever of interest between farm organizations as such and farm cooperatives as such. The Senator from Vermont said he had not heard of any farm cooperative that was opposed to the House provision. The Senator from Georgia comes back and undertakes to refute that by saying he has had some statements not from farm cooperatives but from farm organizations. There is a great difference between an organization which is interested in the general welfare of the farmers and is made up of individual farmers, and an organization, a business organization, even though it be a nonprofit organization, in which every member has a personal interest which is represented by the dividends he may receive and on which he pays taxes, and which is created for the purpose both of increasing the price of the commodities he has to sell and reducing the price of articles he has to buy. There is a very great difference between an ordinary farm organization and a farm cooperative. Most of the members of farm cooperatives are also members of great farm organizations; but, nevertheless, there is no identity of interest whatever between them.

Mr. AIKEN. Will the Senator permit me to clarify the statement I made a few moments ago? When I said the American Farm Bureau Federation of itself is not a cooperative, I meant it is not engaged, so far as I know, in the buying and selling of farm produce or farm supplies. There are State organizations of the Farm Bureau Federation which have sponsored and organized very successful cooperatives.

Mr. CLARK of Missouri. It is a very different organization, for instance, than the Missouri Farmers' Association, which is not only a great farm organization, containing many times as many members as all other farm organizations in the State put together, but is also a

great farm cooperative that both buys things the farmer has to use and in turn sells them to the farmer, distributing immediately to each member any proceeds that may be derived on which proceeds the members pay taxes, and at the same time assists the members in marketing agricultural products. That is substantially a different type of organization from an ordinary farm association made up of members who simply desire to cooperate for the purpose of declaring their purposes as a national organization regarding agriculture. The two things have nothing whatsoever in common except that they both happen to be composed of farmers.

Mr. AIKEN. That is exactly what I wanted to make clear.

Mr. MEAD. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from New York.

Mr. MEAD. First of all I want to commend the Senator from Missouri for his objective, which is a worthy one, and, further, for his desire to keep the pending issue clear. As he has pointed out, there is nothing in his amendment that applies to the objective announced by the junior Senator from New Mexico or the junior Senator from Maine.

The position which they take will not be affected by the particular amendment the Senator is offering at this time. In other words, the suggestion of the junior Senator from New Mexico inferring that in some cases the dues and initiation fees might be too high has nothing whatever to do with the pending amendment. Making political contributions by labor unions in the coming election will not be prevented by the amendment which the Senator from Missouri has in mind. He is merely attempting to strike out of a tax bill an item calling for returns which in my judgment has no right there.

Mr. CLARK of Missouri. The Senator is entirely correct.

Mr. MEAD. If any Member of the Senate objects to the political activities of a labor organization—

Mr. CLARK of Missouri. We should deal with that directly.

Mr. MEAD. There is a committee on labor legislation which will consider such matters. But when we deal with the subject of political contributions we should take into consideration not only labor organizations, but all sorts of organizations. I am sorry the senior Senator from Pennsylvania [Mr. Davis] is not in the Chamber at the moment. He issued a statement a few days ago to the effect that huge financial interests were organizing for political purposes in his State. Some of these interests were investigated, at least scantily, by my distinguished colleague the junior Senator from Arizona [Mr. McFarland] when he was chairman of the Committee on Campaign Expenditures. Large corporations and interests were pouring out their wealth in the campaign of 1940 in every section of the country, so it was reported, and as I stated a moment ago, the senior Senator from Pennsylvania served warning on the country that a huge fund was being set up in his State to defeat him for reelection. That, of course, is a separate and a distinct question.

Now with reference to the C. I. O. and the fund they are setting aside, I think it can be said that it is not a direct political contribution to any individual or to any party. It is a sum, as I understand, set aside to arouse interest among the members of that organization and the people generally in the privileges and the responsibilities which are ours as citizens of a democracy.

Looking over the figures relating to the recent elections in some sections of the country, we find that less than 50 percent of the eligible voters went to the polls to vote on election day, and if any organization, be it political or fraternal, business or agricultural, can arouse wholesome interest and intensify the activities of the people of this country in the democratic processes, it seems to me it is perfectly within the law. So far as I know, no contribution has been made to a political party or to a political candidate from this fund.

Mr. BREWSTER. Will the Senator from Missouri yield to me?

Mr. CLARK of Missouri. I yield the floor. I have said everything I wish to say on the subject.

Mr. BREWSTER. I was very much interested in the remarks of the Senator from New York. I wonder how he discriminates between the enormous sums which are being contributed by corporations to the education of the American public as to the wisdom of voting and the sums which are being contributed by the C. I. O. to the education of American citizens as to the wisdom of voting. What is the line the Senator draws to distinguish between the two?

Mr. MEAD. I am sorry, but if the Senator had been listening, he would have heard me say in the beginning that neither of them would be affected by the pending amendment. I merely commended my colleague from Missouri for keeping the issue clear. However, if the argument of my gracious colleague the Senator from Maine were directed toward labor organizations, then he would, of course, welcome an opportunity to cover the entire situation.

Mr. BREWSTER. Would the Senator from New York include in the investigation the contributions of corporations in the amount of a thousand dollars a page to a political campaign book to tell the virtues of their organization? Would that be included within the scope of the investigation?

Mr. MEAD. In the first place, the Senator from New York is not interested in an investigation. He is merely interested in assisting the distinguished Senator from Missouri in striking this section out of the bill. Then, after that, the Senator from New York will make his own decision with reference to such other matters as are not germane to the present discussion.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. CLARK of Missouri. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GEORGE. I suggest the absence of a quorum.

Mr. REYNOLDS. I should like to submit a few remarks before the vote is taken.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. REYNOLDS. Mr. President, I have listened to what my distinguished colleague the Senator from Missouri [Mr. CLARK] has said, and what the able Senator from New York [Mr. MEAD] has said, and what was stated by the distinguished Senator from Vermont [Mr. AIKEN]. The debate has all been highly interesting, particularly interesting to me, as well as to other Senators, because the arguments have had to do with politics and the financing of political campaigns. Of course, all of us who are candidates are interested to a large degree in the financing of campaigns. Even if we are not interested in that, we are interested in getting as many votes as possible.

We all recognize that the C. I. O. and the American Federation of Labor are powerful organizations in their field, and powerful political organizations. We know that to be so. I remember that some time ago the Members of the Senate were called upon to vote for a bill introduced by the Senator from Texas [Mr. CONNALLY], which had as its objective the stopping of strikes. Tremendous political pressure was brought on us not to vote for that bill. Perhaps some of us hesitated about it, because it was a serious step we were taking; but, after giving the matter much consideration, I decided to vote in the way I thought would be best for my Government and for the war effort, and I voted for the Connally bill, which had as its objective, as I have said, the stopping of strikes. Unfortunately, since that bill was enacted we have found that it did not have quite enough teeth in it.

As I have stated, we are interested in campaigns. That is why I suggested at the outset that I was very much interested in what the Senator from New York, the Senator from Maine, and the Senator from Missouri said about unions in politics.

Reverting to the Connally bill, I recall that shortly after it was passed I was in the South, in the State of Arkansas, the two distinguished representatives of which State are now in the Chamber, and I read an article in a newspaper stating that our good friend Mr. William Green had made a speech in Newark, N. J., in which he had said that the labor organizations were going to defeat every man in the Senate and in the House of Representatives who voted for the Connally bill.

Mr. President, that was a very unfortunate statement for Mr. Green to make, and I am really sorry that he made it. Of course we are interested in unions, particularly all of us who are in politics, because the unions have a great deal of influence in this country. As was stated a moment ago by one of the Senators, a few years ago Mr. John L. Lewis gave to one candidate \$500,000, and I believe it was the Senator from Maine [Mr. BREWSTER] who stated a moment ago that Mr. Philip Murray, of

the C. I. O., had said that his organization already had \$700,000 in hand and were going to raise \$5,000,000 to elect the boys they wanted, and to defeat the boys they did not want. That is their right; but at the same time, if money is so easily raised, and millions of dollars are so carelessly referred to, I think the Federal Government has a right to know from what source the funds are derived. Consequently, whether it is a labor union, a fraternal organization, or whatever it is, I think Uncle Sam himself has a legitimate reason for obtaining and a right to obtain the information as to where a labor organization, a fraternal organization, or any other association, derives its money, whether it is a thousand dollars or ten hundred thousand dollars.

It has been stated here, and I am ready and willing to believe it, and to take it at its face value, that the labor organizations are not opposing the section in question, which was placed in the bill in the House. No labor representative has ever spoken to me and said that he did not want it in the bill and would like to have it taken out. I have never heard of any Senator being spoken to by any representative of any labor organization in regard to the subject. Therefore, instead of the labor unions not wanting the amendment in the bill, I argue that the labor unions want it to remain. So why not let them have what they want?

Mr. President, I think, as do a great many other persons, that the amount of funds derived by labor organizations, and information with respect to the source of the funds, should be made available to the United States Commissioner of Internal Revenue, and I think the section in question should remain in the bill. Uncle Sam has all the information with respect to where you and I get our money on which we pay income taxes. Uncle Sam has all the information from the corporations with respect to where they get their money and how much they have received. Now Uncle Sam says he wants likewise to obtain information with respect to where the labor organizations get their money, and how much they have received. There is only one trouble about the matter, and that was revealed a moment ago by the able Senator from Vermont; that is that the information is not to be made public.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. MEAD. The issue between us is clear cut, in that the Senator from North Carolina favors the retention of the provision and I favor its elimination from the bill. But will not the Senator agree with me that it is a matter which should be taken up by a legislative committee? There is not a tax associated with it, and by taking it up in a legislative committee we might see the wisdom—and I am sure the Senator agrees—of including the National Chamber of Commerce, national manufacturers' associations, and other organizations of similar character? Is there any reason for including the

farmers and the laboring men, but leaving the group composed of the national manufacturers' associations and kindred organizations outside the scope of legislation which, according to my distinguished colleague, is good legislation? If it is good for one, it ought to be good for another.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. KILGORE. That calls to my attention a column written upon that very point in which comment was made on the fact that some of the most powerful lobbies now operating in Washington were backed by funds from organizations such as the National Chamber of Commerce, which had to render no accounting, whereas it had been ruled by our tax authorities that the same thing done by employee organizations was illegal.

Mr. REYNOLDS. I quite agree with the Senator.

Mr. GEORGE. I may call the attention of the Senator from West Virginia to the fact that the chambers of commerce and business organizations are covered under this same provision, and all they are asked to do is to give a little information to the Congress so that we may determine whether or not from some of their investment income they ought to pay some tax.

Mr. REYNOLDS. Mr. President, from all the evidence which has been produced on the floor, labor unions do not oppose this amendment. Therefore, as I stated a moment ago, I argue that the labor unions favor it. Therefore, in view of the fact that the officers of labor unions, as I have argued, favor it, I now, having spoken in the interest of the officers of the big labor unions, wish to address myself to this body in the interest of those persons who provide these funds amounting to millions of dollars. I am now going to speak in the interest of the dues-paying, initiation-fee-contributing members of labor organizations. All the millions of dollars that are being passed around, the \$500,000 donations made by labor chiefs to various candidates, and the \$700,000,000 which Mr. Murray says he has already raised to elect or to defeat certain candidates—that money is paid by the members of the labor organizations.

As a matter of fact, I think Uncle Sam ought to know from what source that money comes, and how much it is, and I believe such information should be made public in order that the dues-paying members who put the money into the kitty or put it into the pot should know just how it is going to be spent, for whom it is going to be spent, or against whom it is going to be spent, because Mr. Murray might favor one candidate and the fellow who put the money up by paying the dues might favor another candidate. And so it goes.

I am speaking in the interest of the members of the labor unions. I introduced during the past year Senate Joint Resolution 9 in the interest of labor unions, fundamentally and firstly in the interest of the dues-paying members of the labor unions. That measure would

make it mandatory upon the part of the labor unions to register with the Secretary of Labor. It would make it mandatory upon the part of labor unions to declare to the Federal Government the amount of dues they charge and how often they charge them, what the initiation fees are, and to render annually to their respective unions reports showing how much they have taken in and how much they have paid out. That is something that the members of the organizations have been seeking for a long time.

Furthermore, my joint resolution would prohibit any labor union from having as an officer of the organization any alien, anyone who was a member of the Communist Party, or the Fascist Party, or the Nazi bund. It is from that angle that my interest in this matter stems. As evidence of the fact that I am interested primarily in the dues-paying members of labor organizations I ask unanimous consent that my measure, Senate Joint Resolution No. 9, be printed in the Record at this point, in order that my position may be made clear.

There being no objection, the joint resolution (S. J. Res. 9) requiring the registration of labor organizations, prohibiting the employment of certain persons as officers or agents of such organizations, and for other purposes, was ordered to be printed in the Record, as follows:

Whereas it is essential that the public be fully informed with respect to the activities of the various labor organizations whose members are engaged in the production of articles and materials which are vital to the war effort; and

Whereas the officers and agents of such organizations should all be American citizens whose allegiance to the United States is unquestioned and who can be depended upon to aid the Government in suppressing industrial sabotage and other subversive activities which tend to impede, undermine, or defeat the war effort: Therefore be it

Resolved, etc., That within 30 days after the date of enactment of this act and annually thereafter every labor union or other labor organization (a) which represents, or purports to represent, in any manner the interests of any persons employed by any business enterprise which is engaged in interstate or foreign commerce, or in the production of goods for such commerce or for national defense or war purposes, or (b) whose activities in representing the interests of employees extend to more than one State, shall, through its president or other authorized officer, register its identity with the Department of Labor, and state under oath the following information, and such other information as the Secretary of Labor may by regulation prescribe:

- (1) The name of the labor union or other labor organization;
- (2) The address at which it has its principal office or does business;
- (3) The names, titles, and salaries of its officers;
- (4) The initiation fees charged each member;
- (5) The annual dues charged each member;
- (6) The assessments levied against its members during the past 12-month period;
- (7) The limitations on membership;
- (8) The number of paid-up members;
- (9) The date of the last election of officers;
- (10) The method of election of officers;

(11) The vote for and against each candidate for office at any election held during the past 12-month period; and

(12) The date of the last detailed financial statement furnished to all members and the method of publication or circulation of such statement.

With such information there shall be filed a copy of the constitution and bylaws of the labor union or other labor organization, and there shall be filed under oath a detailed and intelligible financial statement showing the receipts and expenditures of such labor union or other labor organization during the past 12-month period.

Sec. 2. Every such labor union or other labor organization established after the date of enactment of this joint resolution shall, when established and annually thereafter, register with the Department of Labor and furnish the information required of existing labor unions and other labor organizations under the preceding section.

Sec. 3. Any labor union or other labor organization which fails to register with the Department of Labor and file the information required by this act shall be disqualified to act as the representative of employees in collective bargaining during any period that such failure continues and, in addition, shall be fined not more than \$

Sec. 4. (a) It shall hereafter be unlawful for any labor union or other labor organization which is required to register with the Department of Labor to have as an officer or agent any person—

(1) who is not a citizen of the United States;

(2) who is a Communist, Fascist, or member of any Nazi bund organization;

(3) who has been a member of or affiliated with any Communist, Fascist, or Nazi bund organization within the 2-year period prior to the date of enactment of this act;

(4) who is ineligible to hold public office; or

(5) who has lost his rights to United States citizenship by reason of conviction of a felony.

It shall be the duty of each such labor union or other labor organization to use due diligence to determine whether any of its officers or agents is a person who is prohibited from being such an officer or agent under the provisions of this subsection.

(b) It shall hereafter be unlawful for any person described in subsection (a) to be an officer or agent of any such labor union or other labor organization.

(c) Any labor union or other labor organization, or any person, who willfully violates any of the provisions of this section shall, upon conviction thereof, be fined not more than \$10,000; and each such violation shall be deemed to be a separate offense.

Mr. REYNOLDS. Mr. President, I wish to say in conclusion that although I dislike very much to disagree with my distinguished friend the Senator from Missouri [Mr. CLARK], I hope that those who are interested in the labor unions and likewise in Uncle Sam's welfare will vote to leave the section in question in the bill. Of course, if Senators do not want Uncle Sam to know how much money the unions have collected, or where they collected it, or how much they have on hand, if they do not want Uncle Sam to know as much about the labor union business as Uncle Sam knows about their business and about my business, they will vote "yea" on the question; but if they want Uncle Sam to know as much about the unions' business as Uncle Sam now knows about their personal business and my personal business

they will vote "nay." That, it seems to me, presents the whole situation. I am obliged to file an income tax return, and I must let Uncle Sam know how much I receive and where I get it and I must then pay a tax thereon. It causes me a great deal of trouble, of course. I do not see any reason why labor organizations should be exempt from doing the same thing. Uncle Sam should be permitted to know as much about their business as he knows about our personal business.

Mr. President, that is all I wish to say on the subject.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). The question is on agreeing to the amendment of the Senator from Missouri to strike out section 112, beginning on page 39. On this question the yeas and nays have been ordered.

Mr. GEORGE. Mr. President, if no further discussion is to be had on this matter, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Radcliffe
Andrews	Gillette	Reed
Austin	Green	Revercomb
Bailey	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Shipstead
Bilbo	Hill	Stewart
Bone	Holman	Taft
Brewster	Johnson, Colo.	Thomas, Idaho
Bridges	Kilgore	Thomas, Okla.
Buck	La Follette	Thomas, Utah
Burton	Langer	Tobey
Bushfield	Lodge	Truman
Butler	McCarran	Tunnell
Byrd	McClellan	Tydings
Capper	McFarland	Vandenberg
Caraway	McKellar	Van Nuys
Chavez	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Wheeler
Downey	Murdock	White
Eastland	Murray	Wiley
Ellender	Nye	Willis
Ferguson	O'Daniel	
George	Overton	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

Mr. TRUMAN. Mr. President, I desire to make only a short statement on the amendment proposed by my colleague, the senior Senator from Missouri. I shall vote for the amendment, but I think the time has come when labor unions, cooperatives, and similar organizations which have grown to such vast proportions during the past few years are going to be required to make an accounting of their funds and of what they do with them, for the benefit of the public and in the public interest. There is no difference between a labor leader with too much money to spend on an election and Mark Hanna with too much money to spend on an election. I think the sooner the people concerned realize that in their own interest they must make a public accounting of their funds and that they must also approach the political program in such a way that no suspicion can be cast on them as

to the manner in which they use their money, the sooner we shall come to a proper settlement of labor leadership and the proper expenditure of the funds for which they are responsible.

Mr. CLARK of Missouri. Mr. President, will my colleague yield to me?

Mr. TRUMAN. Certainly.

Mr. CLARK of Missouri. I entirely agree with everything my colleague has said about this matter. Let me inquire whether my colleague does not agree that the proper way to approach the matter is by the Corrupt Practices Act, not by a rider on a tax bill, which is what the section is.

Mr. TRUMAN. I agree. A tax bill is not the proper place to have legislation on the matter. It should be considered by the proper legislative committee, and should be brought into the Senate in a proper way.

Mr. TAFT. Mr. President, I wish to make merely a brief statement on the pending amendment. In committee I voted to eliminate the section. I intend to vote for the amendment of the Senator from Missouri. Let me say that in committee a motion was made to exempt the labor unions and farm cooperatives from the application of the provisions of the section. I voted against the motion to exempt the labor unions and farm cooperatives from the application of those provisions. The reason why I shall vote for the amendment of the Senator from Missouri is that the section which is now in the bill represents an effort to obtain information upon which to base a future program of taxing a long list of organizations now tax exempt. However, today the Treasury already has full power to require any of those groups of organizations to make returns. The Treasury can require them to do so under the existing law.

On the basis of the returns, the Treasury can make studies which will be perfectly adequate as a basis upon which to tax the various organizations now tax-exempt. Probably some of them should be taxed. Last year the Treasury submitted a proposal to tax mutual insurance companies, without proposing any such means as that provided in the section. With respect to each of these groups, it is perfectly possible to face directly the question whether they should be taxed. As I say, the Treasury may obtain the information under existing law, without any compulsory requirement.

In order to have this information obtained under the provisions of this section, I think we would be asking approximately 300,000 organizations to make returns—which would seem to me to be a duplication of paper work, and an unnecessary imposition on those concerned. The labor unions constitute a very small percentage of the total.

I myself feel that the section would result in placing, in time of war, an additional burden of paper work on a great many persons who are busy in the war, and that the section represents an endeavor in the midst of war to undertake a permanent reform.

Therefore, it seems to me that it was unwise and unnecessary to include in the bill the compulsory requirement for an informational schedule or return.

Mr. SHIPSTEAD. Mr. President, I have not heard all the discussion on the pending question. As I understand, section 112 incorporates in the revenue bill now before the Senate a provision calling upon cooperative organizations, labor unions, and other organizations which have funds which are not considered profits, to make returns. I ask the Senator from Georgia if that is not correct?

Mr. GEORGE. No; it is not correct. The Senator's understanding may be correct in part. The facts are these:

From time to time the Congress has exempted certain corporations from taxation. A large number of them have grown up in the United States, and the number is still increasing. Such exemptions are allowed under section 101 of the Internal Revenue Code. This provision is simply to require such tax-exempt corporations to file informational returns with the Bureau of Internal Revenue, as in other cases.

Mr. SHIPSTEAD. It has nothing to do, then, with cooperative organizations, which realize no profit?

Mr. GEORGE. If they were tax-exempt corporations, they would be required to file an informational return. That is all. They would not be taxed.

Mr. SHIPSTEAD. Would an organization which is a nonprofit organization be required to file a return of income?

Mr. GEORGE. Those which have been exempted would be required to file an informational return. There is a vast difference between organizations or corporations which have been exempted in certain cases, and those which are nonprofit making. The Senator is speaking of fact. I am speaking of the law. Of the 300,000 corporations in this country which are exempted from taxation at this moment, many of them have incomes which, in my opinion, ought to be subjected to some tax.

Mr. SHIPSTEAD. Does the Senator contend, for example, that farmers' mutual insurance companies should file returns? Such companies are not now taxed. They were exempted from taxation because they were shown to be nonprofit organizations.

Mr. GEORGE. I would not say that any nonprofit organization, such as a farmers' cooperative, should be taxed.

Mr. SHIPSTEAD. What about a labor union? Are labor unions taxed upon their funds?

Mr. GEORGE. No; they are not taxed; and the man who pays the assessment is permitted to make a deduction for the assessment.

This provision is in the House language. The Committee on Finance did not put it in the bill. All it does is to provide that certain kinds of corporations shall make returns. This bill has very little application to labor organizations. They would have to file an informational return. But the man who pays dues or assessments deducts them from his income tax, and there is no accounting for

them by the organization to which they are paid, so far as taxes are concerned. I do not think there should be. The truth is that this section is aimed primarily at a type of investment income on which the Congress might or might not impose a tax if it had full information.

Mr. SHIPSTEAD. I do not see why a nonprofit organization should be required to report by the terms of a revenue measure. There may be corporations which have profits and which are still exempt. The question of policy or regulation in connection with organizations which have no profits might be covered by a separate bill. That is another matter. But I cannot vote to put that kind of a provision into a revenue bill when there are no taxes to pay.

Mr. LA FOLLETTE. Mr. President, I wish to make a brief statement concerning the amendment offered by the senior Senator from Missouri [Mr. CLARK].

I wish Senators would dissociate, in their thinking concerning the issue presented to the Senate, any question of regulation of labor organizations or cooperatives, or any of the other exempt organizations which would be required to file informational returns under this section, and think of the section solely for what it is.

In one fell swoop, with certain exceptions, it wipes out the exemptions from filing which have been built up over the years under section 101 of the Internal Revenue Code. So far as I know, as a member of the Committee on Finance, it is done without any statistical or detailed information being presented to justify it, as a means of furnishing information upon which additional revenue might be collected, save the general statement just now made by the Senator from Georgia, that there are some organizations which have investment income which the Congress, if it had information about them, might decide to tax.

Mr. President, every Senator knows that we are in a very difficult situation so far as manpower is concerned. When I was at home during the adjournment of Congress I had a greater number of complaints about the information, returns, and forms which taxpayers are required to submit to the various agencies of government than with respect to any other single item.

The Small Business Committee of the Senate made an investigation of that subject, and Congress enacted a statute, sponsored by the chairman of the committee, as I recall, designed to force the Government, whenever possible, to reduce the number of forms and the amount of paper work which organizations of every type and description are being required to file with the Government. That law has not accomplished as much as I had hoped it would; but in one fell swoop in this bill we would do more, in my opinion, to increase the burdens upon these organizations in filling out returns than we have eliminated by the enactment of the measure to which I have referred.

It seems to me that in view of the shortage of manpower and the difficulty which organizations of every kind have

in performing their functions today, we should not impose this additional burden upon them unless there is a substantial showing of fact that there is warrant for the assumption that in causing such an inordinate burden the Government will, in return, receive information which will be commensurately beneficial to it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. SHIPSTEAD. There should be some revenue involved.

Mr. LA FOLLETTE. I am not certain how much revenue would be revealed by such returns, because I have no definite information on the subject; but I do not know of anyone who has come forward and said that he wants to tax all genuinely cooperative enterprises in the country under the income tax. The justification for their exemption is the fact that they are, as organizations, nonprofit enterprises. They return their profits, if I may term them such, or their savings, to the members of the cooperatives in the form of dividends, which are reported as income by the individual members thereof, and become taxable in their income-tax returns.

I have not heard the suggestion that there should be a tax imposed upon labor organizations as a group, and yet they would be required to furnish returns under this provision, just as would all the cooperative organizations in the country.

Mr. President, if we are seeking to reach the fields in which there is competition between so-called nontaxable or exempt organizations and private enterprise or business, we have defeated our own purpose by some of the exemptions which we have already written into the law. As I recall, the Treasury came forward in connection with one of the revenue bills—they have been so numerous that I cannot keep them separated in my memory—with a proposal to tax the business activities of educational and charitable institutions, and it was the Treasury which took the responsibility of suggesting that there was a field in which we might find some forms of income as a result of actual commercial enterprises which should be considered by the Congress as a subject of taxation.

Any Senator examining the pending measure will find that such institutions have been specifically exempted. I do not wish to be misunderstood; I am in favor of such exemption; but I say that it does impair the argument which I have heard presented in favor of section 112, because we have eliminated certain groups. We have eliminated all educational institutions and all fraternal organizations. I voted for the elimination of the fraternal organizations because I felt that the proposal would impose on organizations distributed all over the United States an undue and unwarranted burden and one out of all proportion to the benefit which could be derived by the Government, in view of the manpower shortage. However, we will not do a thorough job if we accept the proposal as it now stands. We are asked to exempt certain organizations,

one group of which, as I recall, the Treasury suggested might be considered for the purpose of taxation.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. I am not as completely informed with respect to cooperatives as I should like to be, and I desire to ask the able Senator from Wisconsin if some of the cooperatives in existence, or some of those which he has in mind, do not buy products and in turn sell them to agriculturists and farmers?

Mr. LA FOLLETTE. Certainly; there are cooperatives organized all over the United States which farmers have organized for the purpose of buying supplies, and, in some instances, buying machinery for use on their farms.

Mr. MALONEY. I should like to ask the Senator one or two additional questions. Let us assume for the moment, if I may, on the basis of the statement of the Senator, that the Congress at some time in the future will pass a sales-tax law. At the moment I doubt that I would vote for a sales tax. However, let us assume that one becomes effective. Would the Senator exempt the cooperatives from the sales tax, in such a situation?

Mr. LA FOLLETTE. No; because the sales tax is predicated on an entirely different principle. The burden of the retail sales tax falls upon the consumer. The tax is levied on the retail sale. The income tax is predicated on a different principle, namely, that of arriving at the income of an organization and then imposing a tax upon it.

Mr. MALONEY. Does the Senator feel that mutual-insurance companies, for example, should be exempt when they are in competition with corporate stock insurance companies?

Mr. LA FOLLETTE. Mr. President, as the Senator may recall, in connection with the last tax bill, we labored long and ardently on a proposal to tax the investment income of mutual-insurance companies. However, I wish to remind the Senator from Virginia [Mr. BYRD], who worked very hard on the proposal, that we exempted certain of the small companies. After long and difficult consideration we fixed the exemption they could claim on filing their income-tax returns. Under the terminology of section 112 as now drawn, that exemption would be wiped out, and all small farm mutual-insurance companies, in which even the person who conducts the business takes a very small salary, and in which he does the work in his spare time, would be required to file returns.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. MALONEY. Mr. President, will the Senator further yield to me? I should like to ask another question, if I may.

Mr. LA FOLLETTE. I yield first to the Senator from Connecticut.

Mr. MALONEY. Does the Senator from Wisconsin entertain the thought that any organization which is in competition with like institutions should be exempt from the payment of taxes?

Mr. LA FOLLETTE. Mr. President, I believe in the principle of income taxes, and that they are predicated upon a sound principle. I believe that in the application of that principle there should be a tax upon the net income of an organization which has realized a net income from its activities. A cooperative organization does not realize any net income in the true sense of the word because although it sells at the prevailing retail price, it pays out to its stockholders in the form of dividends whatever it receives over and above its actual operating expenses. So, in my view, the genuine cooperative does not have a net income in the same sense that a corporation has a net income.

Mr. MALONEY. Mr. President, I should like to ask the Senator one more question, and I hope he will believe that I am only seeking enlightenment. I have no fixed view on this matter whatever.

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. It seems to me, if I understand the views of the Senator correctly, that if carried to its logical conclusion this special tax exemption would lead to a kind of socialization. That is the theory which I hold.

Mr. LA FOLLETTE. Mr. President, I have no fear of it leading to socialization. I certainly do not look upon a genuine cooperative organization as a socialistic enterprise.

Mr. MALONEY. My fear is that it leads toward the danger of a socialistic state. That is my theory.

Mr. LA FOLLETTE. In my view, genuine cooperatives hold out very great hope that we never shall have a socialistic state.

Mr. MALONEY. I do not have any fixed opinion about the matter.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I should like to invite attention of the Senator to the fact that one of the first things which the dictators of Europe did in rolling roughshod over the democracies was to strike down the cooperatives and labor organizations.

Mr. MALONEY. Mr. President, may I make myself clear before the Senator yields to the Senator from Missouri?

Mr. LA FOLLETTE. I yield to the Senator from Connecticut.

Mr. MALONEY. I have no fixed opinion about this matter. I am somewhat disturbed, however, by tax exemptions as they would apply in this instance, and I am only seeking enlightenment.

Mr. LA FOLLETTE. Allow me to say that, so far as my recollection goes, these organizations have been exempt from the very inception of the income-tax law.

Mr. MALONEY. Mr. President, the Senator from Georgia [Mr. GEORGE] has pointed out that under the existing law thousands of new organizations have come into being. I gather that in his mind, and in the minds of the other members of the committee, a review should be made of the situation.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. Allow me first to answer the Senator from Connecticut.

It is true that the cooperative movement has been growing in this country, but I do not think that is any cause for alarm, so far as our social institutions are concerned. I think it should be cause for reassurance.

I now yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I merely wish to point out that when we began to exempt these organizations the income tax was very low. It was not burdensome. It did not give one competitor the power of strangulation over other competitors.

Regarding true cooperatives, which deal with their members, whether they be farmers or others, I would never vote to tax them. However, it is known that many of the cooperatives do much business for nonmembers. With tax rates as high as they now are, it is not difficult to justify at least calling on these organizations to file informational returns. It seems to me they do themselves an injustice when they even oppose it.

Mr. LA FOLLETTE. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, to show how it is when we enter upon this ground, let me say that there are some companies calling themselves mutual which are not mutual in fact, but farm mutual insurance companies—and I say this for the benefit of the Senator from Connecticut—were taxed on their income in 1922. The farm mutual companies had no money surplus. The only income they had was derived from assessments required to pay losses. They had no profits, they had only losses. They are conducted by local agents, usually farmers. For such insurance a farmer may pay a dollar to the agent for issuing the policy. At the end of the year the losses which have been sustained are appraised and an assessment is made upon the members, who chip in so much, according to the size of their policies, to pay the losses. That is what we usually find in the case of farmers' mutual insurance companies.

When this was called to the attention of Congress in 1924 the House reinserted the tax upon the income, but when the bill came to the Senate the Senate discovered that such companies had nothing in the form of a profit or an income subject to taxation; that they had nothing but losses, and so, as such a mutual organization had no income except that derived to pay losses, there was nothing to tax. That is one kind of a mutual organization. There may be others. I understand that there are certain life-insurance companies that call themselves mutual companies that have vast amounts of capital and great income, but that is a different matter. So we must distinguish between these various organizations. The question it seems to me should come up in an entirely different bill.

Mr. LA FOLLETTE. Mr. President, I desire to emphasize the point the Senator from Minnesota has developed. When

the necessity for revenue became great the Finance Committee, as well as the Ways and Means Committee, took up the question of taxation of mutual insurance companies other than life companies. We spent a great deal of time on it; we obtained all the facts about the matter, and adopted a provision, which I think has worked very well, to tax them on their investment income. That it seems to me, Mr. President, is the orderly, logical, and fair way for the Congress to proceed, and not merely to throw out a dragnet in time of war and impose a crushing burden upon people who are already short-handed and overworked.

The small-farm mutual insurance companies to which the Senator from Minnesota has referred are often operated by a single individual. He often carries on the business of the organization in his spare time; frequently he is a farmer who is operating his farm. Any Senator who knows anything about the situation on the farm today must realize that the farmers are extremely short-handed; that they do not have even the machinery they require to make up for the loss in manpower to the armed services and to industry. So, merely to throw this additional burden upon people so situated at this time in the hope of turning up something out of all this information that may be helpful to the Government seems to me unjustified in the face of the facts and the record and the information now in our possession.

I desire to reemphasize, Mr. President, that this will not cure any of the situations which were discussed by the Senator from North Carolina and by the Senator from New Mexico. This form of informational income-tax return will be a sealed document. There is a severe penalty against anyone in possession of such a document in the Internal Revenue Bureau who discloses any facts concerning it. This will not convey any information to individual members of the unions; it will not convey any information to any part of the public, because the returns will be under the same seal of secrecy that is applicable to every other income-tax return.

If a majority of Congress wishes to pass substantive legislation requiring labor unions to make public accounting of their funds and their business, that is entirely a different question, and it should not be confused with the issue now before the Senate. This is a proposal, as I view it, to go out with a dragnet and force hundreds of thousands of organizations in this country, short-handed as they are, to fill out returns and then to file them where they will be under the seal of secrecy, and will not be available to the general public, but will be available only to the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, and usually even in those cases the information is presented as a composite and not to reveal the individual situation of any particular corporation, organization, or person. So, from the public standpoint, this is not a solution of the problem which some Senators

have been discussing this afternoon. If there had been any showing made, if there had been any evidence presented before the committee, aside from general statements, and the committee had recommended specifically that, because of information in its possession, certain of these organizations should be required to be taxed and to file income-tax returns, that would have been, as I view it, an orderly and a proper way to proceed; but it seems to me that, in the situation which we all know confronts the country, we should not increase the burden upon citizens of the United States and thus impair to that extent the total war effort.

Mr. MALONEY. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Connecticut.

Mr. MALONEY. I should like to make it clear, with the Senator's permission, that my inquiries were not intended to give the idea that I am opposed to cooperatives.

Mr. LA FOLLETTE. I so understood.

Mr. MALONEY. Or that I was doing anything more than seeking information.

Mr. LA FOLLETTE. That was my understanding.

Mr. MALONEY. I should like to ask the Senator one more question.

Mr. LA FOLLETTE. I shall be glad to answer the question if I can.

Mr. MALONEY. The Senator's argument dealing with the shortage of manpower is not without considerable logic, but I have so much faith in the Senator and his judgment that I should like to ask him, as a member of the Finance Committee, if he feels that in peacetimes, if we were not engaged in war, this would be a worth while proposal?

Mr. LA FOLLETTE. In my opinion, as I thought I had indicated, since the Commissioner of Internal Revenue has the power to require any organization to make returns and because of the constant study made by and the statistical information at the command of the Treasury and the Bureau of Internal Revenue, that the logical thing would be for them to proceed as they tried to proceed once with the commercial activities of charitable and educational institutions. In that instance they came forward with specific information, and recommended that such organizations should be taxed.

Mr. MALONEY. Will the Senator yield for another question?

Mr. LA FOLLETTE. Certainly.

Mr. MALONEY. Will the Senator tell me—and I shall not expect him to answer the question unless he wants to do so—if he has any feeling that this language is directed against labor unions?

Mr. LA FOLLETTE. I do not know against whom it is directed particularly, but it is directed against every organization that is now exempt under section 101, save and except the specific exemptions which are continued and contained in the language of the bill as reported by the Finance Committee.

Mr. MALONEY. Does the Senator have any feeling that it would be harmful to any organization, aside from the

manpower situation to which he has pointed?

Mr. LA FOLLETTE. I do not think we are justified in peace or in war in requiring people to do unnecessary things, unless we have evidence upon which we believe we are justified in requiring it on the theory that we are going to develop a substantial field of revenue that should be taxed.

Mr. MALONEY. I thank the Senator.

Mr. SHIPSTEAD. Will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. SHIPSTEAD. What does the Senator think of having a probe made by a committee of the Senate, the Finance Committee or some other committee, into all these organizations? There may be some which have been exempt from taxation which should be taxed. We do not know; I do not know. Before we proceed upon a broad scale to require what is provided in section 112, if there is a suspicion that it should be done, should there not be some inquiry, some search made to ascertain what organization received income which it has not reported, what are the duties and what are the functions of the organization, what profits it has made, or whether it has made no profits, and for what purpose it is organized? That is an entirely different matter, it seems to me, from bringing an organization in through a revenue bill for the purpose of taxing incomes and profits which are made in the transaction of business.

Mr. LA FOLLETTE. Of course, I think one answer to the Senator's suggestion is that the Treasury Department has a group of economists, statisticians, and other experts, who are diligently searching for sound methods of increasing the revenues of the Government at this time, when it is so direly needed. If the amendment had behind it evidence and testimony indicating that there was a large field of revenue which was not being taxed, but which, under the theory of an income-tax law, should be taxed, I should feel very differently about it.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK of Missouri. I am sure the Senator will recall that there was not one single scintilla of evidence produced before the Committee on Finance in support of this provision. No one suggested that it would produce any revenue in itself, or that it was supposed prospectively to lead to any revenue. There was no evidence whatever in favor of it, as I recall.

Mr. LA FOLLETTE. A statement was made by the chairman of the committee, as I recall, and I think Mr. Stam of the joint committee made the statement that he thought this section should be incorporated in the bill because he hoped, or thought, there might be investment income discovered which the Congress would wish to tax.

My feeling is—and I say this in all sincerity; it has nothing to do with whether one is for or against the labor unions or for or against cooperatives, or for or against any of the other thousands

of organizations upon which the burden would fall—we should not, in the present difficult situation, impose this burden unless we have ample evidence to justify it, and so far as I am concerned, I do not believe that, with all the organization which the Treasury and the Bureau have, we need to worry about their overlooking sources of substantial income which should be taxed.

Whether that be true or not, I do not think this is the time when the Congress should indulge in a fishing expedition which would cause great burdens to fall upon literally hundreds of thousands of organizations scattered all over the United States.

Mr. CLARK of Missouri. Mr. President, I suggest the absence of a quorum.

Mr. GEORGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri withhold his suggestion?

Mr. CLARK of Missouri. I am glad to withdraw the suggestion, if the chairman of the committee desires to address the Senate.

Mr. GEORGE. I do not wish to argue the subject at any great length, but I desire to explain to the Senate what the provision is and how it came to be in the bill, so far as I know.

The chairman of the taxing committees of the House and the Senate have received many appeals from certain enterprises to the effect that they were in competition with nontaxed competitors. Some of them, as I recall, appeared before the Ways and Means Committee of the House. The Ways and Means Committee of the House did not see fit to impose a tax on these nontaxed corporations. They merely saw fit to ask that they make informational returns.

The opponents of the amendment tell us this is no time to make people do more work in making returns, because they are all shorthanded or will be. I should be very happy indeed to make a return if someone would forgive my taxes. I would not think I would be doing too much for the privilege of enjoying exemption from paying taxes, if I merely made a tax return. I would make one every month if necessary. I am not so sure but that I would file one every Monday morning, if I would thereby escape the present burden of taxation.

These nontaxed organizations are not bothered greatly about making returns. They make no tax returns. They do not even file anything in the Treasury after they once "get by," unless the Treasury becomes suspicious of them, and asks some of them to make returns. So I do not think that when someone is enjoying the special privilege of total exemption from taxation it should be any very great back-breaking burden on that person at least to file a paper with the Treasury showing what his income was, whence he got it, and for what he spends it. That is about all it comes to in the case of an informational return, because the person does not have to compute his tax, since no tax is payable by him. He does not remit a check; he does not have to do anything but file a statement of his total

income, what money he is making from any of his investments, from what source it is derived, what he does with it. Is that any great burden to a man whose tax is forgiven? I cannot see that it is a burden.

Then others are worried because this provision is included in a tax bill. Where would it be put? These nontaxed persons got into the tax law and got exemption from taxes, but it is said we must not bring them back through a tax bill and ask them even to tell what their income is, whence they receive it, and what they are doing with it. The attitude of those who are exempt is inconsistent.

The Senator from Missouri says—and I think correctly—that this section would have no special effect on labor organizations, and I doubt if it is intended to. Certainly it is not intended to, so far as I know. The Finance Committee did not write the section. The Tax Committee of the House of Representatives, who are charged with the initial responsibility of originating revenue legislation, put it in the bill and sent it to the Senate, and we should pay it sufficient respect to examine it, and see whether or not there is not something to be served by it.

What is the situation? I know the chairman of the Tax Committee in the House, and I know the committee had before them some evidence complaining of unfair competition. I know such evidence has been brought to me by the bushels, and by the half bushels. But none of the parties were called, because they were not being taxed, they were merely being asked to furnish information.

We inserted certain exemptions. We said that corporations exempt under section 101 are not even to be called on to file returns, because we knew some of them would not be taxed anyway.

First we exempted organizations formed for the prevention of cruelty to children and animals. We exempted Government-owned corporations or agencies or instrumentalities of government. We exempted all fraternal, beneficiary societies or otherwise, associations operating under a lodge system, or for the exclusive benefit of members of a fraternity itself operating under a lodge system. We also exempted any association paying life, sick, accident, or other benefits to its members. We knew we would not tax those organizations. We did not exempt cooperatives, not because anyone would want to tax a small farm cooperative, or a genuine cooperative, whatever its size, composed of farmers or other persons, engaged in buying and selling for its own members.

Mr. President, I say to the Senate frankly that there is no ground on which we can tax one man on his income and excuse another man from taxation on his income not derived from a transaction with somebody associated with him as a member of a cooperative. There is no ground on which I will undertake to distinguish between such income. Senators can do as they like about it, but income is income. If farmers associate themselves together, or if lawyers associate them-

selves together, or if workmen associate themselves together to deal with their own membership, and it results in profit, they ought not to pay taxes. But if they are in competition with a man who himself is taxed, if they deal with nonmembers, upon what moral basis can it be said that we should not say to people of that delicate feeling that "We would like to see the source of your income, how much you receive, and what you have done with it. But we do not tax you"? It might lead to a tax, of course.

Take some of the building and loan associations. The fact is that their preferred stock is in the market. Yet some persons do not even want them to file an informational return to the Treasury. I cannot quite comprehend why we should be so tender with respect to people who got under the tent long ago when the income taxes were low, and when it did not make so much difference to the other man who was paying full taxes whether his competitor was escaping a small tax. Taxes are high now, and any concern in America which can save one-half of the Federal tax imposed upon it can grow enormously rich.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. I do not wish to interrupt the Senator's trend of argument, but if I understood the Senator correctly he was in favor of the provision inserted by the Finance Committee exempting certain fraternal organizations.

Mr. GEORGE. Yes; that is correct.

Mr. CLARK of Missouri. I have heretofore stated that I voted for that provision myself, and I think it is proper. But a man died in my State in the last 2 or 3 weeks who left an estate of more than a million dollars, all of which he made out of one of these fraternal organizations. I assume he had paid a personal income tax on his takings from, as it happened to be, the Eagles. I assume he had paid the income tax on everything he had received from them. But I should like the Senator to explain to me why the Eagles, for instance, or the Moose, or any other fraternal organization, the Shriners, or the Knights of Columbus, or anybody else, should be exempted, and bona fide farm cooperatives which are maintained simply as a check on the extortions of the agricultural implement companies, and which deal in the things the farmer has to sell and the things he has to buy, should be taxed.

As I have said, I voted in the committee to exempt fraternal organizations, but if anyone can explain to me why they should be excluded, and labor unions and farm cooperatives should be included in making tax returns, I should be very glad indeed to hear it.

Mr. GEORGE. I do not know about all fraternal organizations, but the ones that are exempted are the ones that serve their own members. I can understand that. I do not want to tax bona fide farm cooperatives. I am a member of two of them. But they are not organized for profit. They do not make any

profits. What little profits they receive are used in the organization. They serve their membership. If they were doing about one-half of their business with persons on the outside, I would feel that they should pay an income tax on the business done with nonmembers. But this provision does not propose to tax them or to tax anybody else. It may well be that every return made would show such a structure and such a course of business as to persuade the Congress, or to satisfy the Congress, that they ought not to be interfered with at all, and that no tax should be imposed. But I know, as a matter of fact, that certain types of business in this country have reached more than \$3,000,000,000 a year in trade. That business is escaping taxation. It may be that it is entitled to escape taxation, and I think, so long as it is confined to a bona fide cooperative of any kind, it ought to escape taxation.

But this is not a tax provision. It is simply a request for informational returns so that the committees of Congress may know whether they ought to proceed to tax anyone who is now tax exempt. I think the committees of Congress could be relied upon. I think the House is entitled to respectful consideration of the amendment. The House has the burden of originating tax legislation. It put the provision in the bill and sent it to the Senate, and our committee did not see fit to strike it out. There were three votes taken in the committee, as I recall—two, at least—but the provision was not stricken out, and it is still in the bill. I sincerely hope the Senate will retain it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. The Senator will recall that there were three votes.

Mr. GEORGE. I think there were three.

Mr. CLARK of Missouri. There were three votes.

Mr. GEORGE. I qualified my statement by saying two at least.

Mr. CLARK of Missouri. There were three votes, there is no question about that, but I think the Senate is entitled to know that in one instance the proposal to strike out the provision lost on a tie vote, and in the other two instances it lost by one vote.

Mr. GEORGE. Yes.

Mr. CLARK of Missouri. In other words, there was an almost completely equal division of opinion in the committee.

Mr. GEORGE. Yes.

Mr. CLARK of Missouri. While the Senator is entirely correct when he says that the committee refused to strike out the provision, it was a horse-and-horse proposition every time the committee did vote.

Mr. GEORGE. Mr. President, I have said all I care to say on the subject. I simply wish to reiterate that there is no way to get the information in question except to provide for obtaining it in a tax bill. I would have no curiosity in the world to receive any information and to expose it with respect to any business

organization, any cooperative organization, or any labor organization. That would not be the purpose in obtaining the information. The information when received by the Bureau of Internal Revenue would be confidential, except to the taxing authorities of the Congress and to certain others, upon complying with certain conditions, of course, all of which look to the preservation of the secrecy of the returns.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. The Senator remarked that there was no way of obtaining this information except that now proposed to be adopted. I do not know in what detail the Treasury Department would require the information. I happen to live in a State in which the farmers are probably more intensively organized than in any other State. Virtually every farmer in my State belongs to one or more cooperatives. So far as I know, all those cooperatives are required to make a detailed report of their finances to their members each year, and I am sure all those reports would be available to the Treasury Department.

Mr. GEORGE. Yes; I suppose they would be.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield. I was about to yield the floor.

Mr. WILEY. I do not wish to have the Senator yield the floor; I desire to ask a question. From the remarks which have been made by several Senators, I understand that the power to be conferred under the section already exists in law, so far as the Treasury is concerned. Is that correct?

Mr. GEORGE. Yes. The Treasury could, if it thought that some tax-exempt corporation should have its status reexamined, require the filing of certain additional information. However, what the Congress undoubtedly had in mind was to obtain the whole picture, and to take a look at it, in order to ascertain whether any taxes should be imposed upon any type of income of any kind of presently tax-exempt corporations.

Mr. WILEY. Does the Senator know whether this provision of the bill was suggested by the Treasury or whether it was the result of consideration in the House?

Mr. GEORGE. I understood from statements made by, I think, representatives of the Treasury that they had not made any suggestion, but that the matter originated in the House committee. That was my understanding.

Mr. WILEY. I thank the Senator.

Mr. BARKLEY. Mr. President—
The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. BARKLEY. I thought the Senator from Georgia had yielded the floor.

Mr. GEORGE. Yes, Mr. President; I had. I hope we may soon obtain a vote on the amendment.

Mr. BARKLEY. I wish to call attention to the categories of section 101 of the Internal Revenue Code, so that all

Senators may know what organizations they would be voting to require to make returns.

The bill would require all the organizations or associations set out in section 101 of the code to make returns, with the exception of certain exemptions which are limited to subsections 3, 6, and 15 of the present law. There are 18 categories. So, in order that we may cast an intelligent vote upon the subject, I think we should have before us the information as to what are the other 15 categories which, under the provisions of the requirement, are not exempted from making the report.

No. 1, labor, agricultural, or horticultural organizations. I have no information or knowledge as to what prompted the House committee to insert this provision. At the time when it was inserted, and also at the time when the Senate committee considered it, the press emphasized the alleged fact that it was aimed at labor organizations, in the endeavor to ascertain the contributions they had made in political campaigns, what their income was, and its source. I do not know whether that is true. I might add in that connection that shortly there will be submitted to the Senate a resolution, which will be the customary one, for the investigation of campaign expenditures, both in Presidential and senatorial contests throughout the United States, and that the committee to make the investigation authorized by the resolution will, of course, have the power to investigate any campaign contributions made by anyone in a Presidential or senatorial contest.

No. 2, mutual savings banks not having a capital stock represented by shares. They, as well as all labor, agricultural, or horticultural organizations, would be required to make the returns, because under those provisions they would not be exempt. Mutual savings banks not having a capital stock represented by shares would be required to report.

Subsection 3 of the bill exempts fraternal beneficiary societies, orders, or associations operating under the lodge system. So we need not bother about that subsection.

No. 4, tax-exempt domestic building and loan associations, substantially all the business of which is confined to making loans to members. Under this provision, they would be required to make the return.

No. 5, cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit. The bill would require cemetery associations organized for the purpose of facilitating the burial of the dead and the care of their graves and tombs to make the report, under the terms of this provision. That requirement would apply to any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, no part of the net earnings of which inures to the benefit of any private shareholder or individual. They would be required to make the report.

Mr. MURDOCK. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. MURDOCK. In every little community in my State will be found from one to one-half dozen mutual irrigation and canal companies, the sole purpose of which is to hold in trust the waters owned by the incorporators and to distribute those waters. They have no income whatever except assessments levied against stockholders. As I understand the statement of the Senator, each one of those companies would be required, under the section referred to, to furnish a statement as to its annual income. Is that true?

Mr. BARKLEY. Undoubtedly that is true.

Mr. MALONEY. Mr. President, will the Senator yield to me there?

Mr. BARKLEY. I yield.

Mr. MALONEY. I should like to inquire what harm would come from that. When we have a national registration law, everyone must register. A man without legs is required to register. It is obvious that he will not go to war, and it is unfortunate that under such circumstances some persons are put to the inconvenience of being required to register, even though it is perfectly apparent that they will not be required to go to war.

In the instance to which the Senator has referred, I cannot understand how any harm would be caused.

Mr. BARKLEY. That is a matter of opinion. All persons are required to register for military purposes. After they have registered, it is not necessary to pass another law in order to put them into the Army.

Mr. MALONEY. We have not yet reached a situation comparable to that one, as I understand the matter. Insofar as this particular bill and section are concerned, there is nothing pending which would apply after we obtain the information.

Mr. BARKLEY. That is true. However, the frank object of the section is to ascertain information which may result in having the Treasury recommend to the Congress a law providing for the taxing of various organizations.

Mr. MALONEY. My next question is, What is wrong with that?

Mr. BARKLEY. My view is that we should let the committees investigate, as they do with regard to all sorts of persons and corporations and associations.

Mr. MALONEY. Is not that exactly what the section would do? Would it not result in providing such information as to all persons?

Mr. BARKLEY. That may be.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REYNOLDS. Does the Senator favor requiring labor organizations to reveal the amount of funds they obtain?

Mr. BARKLEY. If they are taxable, I certainly would favor such a requirement.

Mr. REYNOLDS. Suppose they are not taxable?

Mr. BARKLEY. The Senator from North Carolina singles out, among all the categories, labor organizations.

Mr. REYNOLDS. I refer to any co-operatives.

Mr. BARKLEY. I do not favor the section which is now in the bill. If the Senator desires an answer to his question, I say that I intend to vote to strike out the section.

Mr. REYNOLDS. Is the Senator opposed to the provision on the theory that it is not fair to cause these organizations to register, because they are short-handed?

Mr. BARKLEY. No; I am not participating in the "short-handed" argument. I think Congress has heretofore, for reasons which it thought sufficient—and I hope to have the attention of the Senator from North Carolina as I discuss this matter—

Mr. REYNOLDS. I am looking right at the Senator.

Mr. BARKLEY. Yes; but I do not know whether the Senator is thinking at me.

Mr. REYNOLDS. I am thinking about the Senator, not at him. [Laughter.]

Mr. BARKLEY. For reasons which Congress has, for a long time, ever since the income-tax law was written, regarded as sufficient, it has exempted all the associations and organizations set out in the 18 subsections.

Mr. REYNOLDS. Yes.

Mr. BARKLEY. In 1913 the first income-tax law was written, but I am not certain when the total exemption was written. Probably it was written from time to time.

Mr. REYNOLDS. As the Senator stated, there have been exemptions for all these years.

Mr. BARKLEY. Yes.

Mr. REYNOLDS. Why should the organizations not be required to let Uncle Sam know how much money they have, and where they got it?

Mr. BARKLEY. In the first place, I do not believe any good purpose would be served by requiring all these organizations in the 18 categories, with the 3 exceptions, to file returns with the Commissioner of Internal Revenue, to be held by him in secret unless some committee of Congress should ask him for them as information in connection with some future tax bill.

Mr. REYNOLDS. Does the Senator think that we should give them more consideration than we give to the boys in uniform?

Mr. BARKLEY. That is not a comparable situation in any respect.

Mr. REYNOLDS. Not only must every man in uniform go to the trouble of revealing to Uncle Sam how much he has and where he got it, but Uncle Sam makes the boy in uniform, the soldier, pay a tax.

Mr. BARKLEY. Yes.

Mr. REYNOLDS. We are not asking the corporations and labor unions to pay taxes.

Mr. BARKLEY. The boy in uniform is not paying a tax on what he gets from the Government by way of pay. He is

paying a tax on income which he received from other sources.

Mr. REYNOLDS. He is in uniform.

Mr. BARKLEY. Oh, yes; he is in uniform.

Mr. REYNOLDS. We make him go to the trouble of filing his return and paying a tax. Then, when we ask the co-operatives and labor unions to file a report, objection is made. Why should we give labor unions and co-operatives more consideration than we give to our men in uniform?

Mr. BARKLEY. We are not doing that. In the first place, the Senator from North Carolina would not advocate that any man in uniform be exempted from paying taxes on income from other sources than his pay?

Mr. REYNOLDS. No; he cannot be exempted.

Mr. BARKLEY. That is true.

Mr. REYNOLDS. We are forcing the boys in uniform to file reports and pay taxes, but we do not want to make labor unions and co-operatives do it.

Mr. BARKLEY. The boys in uniform pay taxes when they are subject to taxation. We have not exempted them. But if we had exempted them from taxation, I myself would be in favor of exempting them from making a return, because upon the return they would pay no tax whatever.

Mr. REYNOLDS. As stated by the able Senator from Georgia [Mr. GEORGE], chairman of the committee, the provision requiring labor unions and co-operatives to file the returns which we are now trying to force them to file, was put in the bill so that we might find out if the co-operatives and labor unions have investment funds on which we might make them pay taxes.

Mr. BARKLEY. There are other ways by which to find out the facts as to whether any organization is now violating the spirit of section 101, without requiring all of them to file returns with the Commissioner of Internal Revenue.

Mr. REYNOLDS. What is the Senator's objection to forcing the labor organizations to reveal the amount of funds they have?

Mr. BARKLEY. If the Senator will let me occupy a little of my own time, I will try to tell him.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Virtually every member of a farm cooperative files a return as an individual.

Mr. BARKLEY. Yes.

Mr. AIKEN. But not as an organization.

Mr. BARKLEY. That is true.

Mr. AIKEN. Virtually every member of the armed forces files a return as an individual, but they do not file returns as regiments or divisions.

Mr. BARKLEY. Of course. All members of these associations, no matter what they are, are required to file returns.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. It is a fact, is it not, that a good many of the members of the farm cooperatives, and a good many members of labor unions, are actually also "boys in uniform," as the Senator from North Carolina called them?

Mr. BARKLEY. Of course.

Mr. CLARK of Missouri. Let me say in that connection that in my own experience the thing which I have found irritated soldiers more than anything else was to be called "our boys." They think they are more than boys. They think they are grown men. They do not like to be called boys in uniform or any other kind of boys. They think they are men. They are old enough to defend the interests of their country.

Mr. BARKLEY. Let me go on with this category:

(7) Business leagues, chambers of commerce, real-estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

They would be required to make a return.

(8) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

In other words, if an association of employees working for an individual or corporation were to organize a recreational club among themselves in order to have the benefits of a gymnasium, they would be required to file a return.

(9) Clubs organized and operated exclusively for pleasure, recreation, and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

(10) Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies—

That covers what the Senator from Utah asked about a while ago.

Mutual or cooperative telephone companies, or like organizations; but only if 85 percent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

They would all have to file a return.

(11) Farmers' or other mutual hall, cyclone, casualty, or fire insurance companies or associations (including interinsurers and reciprocal underwriters) the income of which is used or held for the purpose of paying losses or expenses.

All over the country there are small local cyclone associations, the members of which pay some sort of assessments or dues and out of which are paid losses in case of cyclone. They would all have to file a return.

(12) Farmers, fruit growers, or like associations organized and operated on a cooperative basis (a) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them.

Every association of tobacco growers organized for the purpose of marketing

a crop would be forced to file a return. There are such organizations in all the States which produce tobacco. I recall that for many years we have been active in my State, and in Tennessee, North Carolina, South Carolina, Georgia, and other States, in the organization of what are known as tobacco cooperative associations, the membership of which is limited to actual growers of tobacco. They organize for the purpose of marketing their tobacco in an orderly way and holding it, instead of dumping it on the market when the market is unable to absorb it at a reasonable price. The expenses of the operation are taken out, and the farmer who has put his crop into the organization receives the net result thereof. That sort of an association would be required to file a return.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I should like to ask the Senator from Kentucky whether the committee considered the wisdom of including in this proposal another category, which would cover subdivisions (11) and (12), relating to purely non-profit cooperative services. They apparently are limited to organizations which do not derive profits to be divided among the members. If I have understood the category just read, why is it not in this bill? Personally I see no reason why that category should not be on the same footing as the other categories of nonprofit cooperatives which do nothing but serve their own members.

Mr. BARKLEY. That question was not considered by the Finance Committee. I do not know whether it was considered by the House committee. It came up in the Committee on Finance, on one vote, on a motion to strike out the section. As I recall that motion was defeated by a tie vote. It came up again on a motion to exclude labor and agricultural organizations. That motion was defeated by a majority of one. Those are the propositions upon which we had the three votes in the committee. No consideration was given to the matter suggested by the Senator.

Mr. AUSTIN. Does the Senator interpret the possible effect of this provision to be a resultant tax upon such cooperatives as those described in subsections (11) and (12)?

Mr. BARKLEY. I take it the effect of the provision is to make possible the future levying of taxes upon all 15 of the categories of organizations or associations not excluded in the pending bill. The only ones which are excluded are those named in subsections (3), (6), and (15) of the present law.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. If there were sufficient income, or if in the future a committee of Congress should decide that such an organization ought to be taxed, as a result of its return filed with the Commissioner of Internal Revenue, it would undoubtedly contemplate a tax. We have no more right to assume that it would not contemplate a tax in such cases than we have to assume that it would

contemplate a tax in all the other cases which have been mentioned.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. The fact of the matter is, Mr. President, that this amendment was devised by the anti-farm cooperative organization, which is opposed to activities in which the farm cooperatives have been extremely successful. It was not devised as an anti-labor measure. The labor organizations just happened to be caught in the dragnet which was thrown out. The measure has been devised by the anticoperative organization for the purpose of eventually putting the farm cooperatives out of business. I believe that I could prove that assertion if I had the process to bring in witnesses before a senatorial investigation.

Mr. BARKLEY. From the knowledge which I have I am not able to say that the purpose referred to by the Senator from Missouri was the sole purpose of the proposal in the House of Representatives, but the effect of it is certainly the same.

Mr. CLARK of Missouri. I do not believe that was the sole purpose of those who voted for it, but I know the amendment originated with the anticoperative organization.

Mr. BARKLEY. It certainly effectively deals with them and all others caught in the dragnet.

I continue to read from the codification of internal revenue laws:

(13) Corporations organized by an association exempt under the provisions of paragraph (12), or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association.

(14) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this chapter.

Such organizations would be required to file a return.

We now come to paragraph (15), which is excluded from the operation of this provision. It reads as follows:

Corporations organized under act of Congress, if such corporations are instrumentalities of the United States and if, under such act, as amended and supplemented, such corporations are exempt from Federal income taxes;

(16) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents if (A) no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (B) 85 percent or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

(17) Teachers' retirement fund associations of a purely local character, if (A) no part of their net earnings inures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual—

And so forth. In other words, an association of school teachers organized on a purely local basis, into which teachers

pay assessments, contributions, or dues, for the purpose of paying benefits to its own members, would be required to make a return.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. Does the Senator have any idea that an attempt would be made to tax organizations of school teachers?

Mr. BARKLEY. I do not know. I have no right to assume what might be done. They are included in the requirement to make the return. That is what seems to me to be objectionable.

Mr. MALONEY. Is it not the customary practice, when returns are required for everyone to be included?

Mr. BARKLEY. This is the first time a provision of this nature has been in a tax bill, so I do not think we can say there has been any customary method followed with reference to it.

I now read paragraph No. 18:

(18) Religious or apostolic associations or corporations, if such associations or corporations have a common treasury or community treasury, even if such associations or corporations engaged in business for the common benefit of the members, but only if the members thereof include (at the time of filing their returns) in their gross income their entire pro rata shares, whether distributed or not, of the net income of the association or corporation for such year. Any amount so included in the gross income of a member shall be treated as a dividend received.

In other words, these religious or apostolic associations would have to file a return.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GEORGE. The Senator is mistaken. The House exempted such organizations.

Mr. CLARK of Missouri. The Senator is reading from the statute, is he not?

Mr. BARKLEY. I was referring to the amendment reported by the Senate Finance Committee.

Mr. CLARK of Missouri. Such organizations are not covered.

Mr. BARKLEY. Let me see if paragraph 18 is included.

Mr. CLARK of Missouri. It covers religious organizations.

Mr. BARKLEY. That is a different character of religious organization. Purely religious organizations are included, but the category to which I am now referring in subsection 18 is not excluded either in the House text of the bill or in the amendment of the Senate Finance Committee.

Mr. CLARK of Missouri. If they are not religious perhaps they ought not to be excluded.

Mr. BARKLEY. It says "religious."

Mr. GEORGE. Religious organizations were excluded by the House.

Mr. BARKLEY. I know, but they are the religious organizations referred to in subsection 6 of section 101. If the Senator will compare subsection 6 with subsection 18 he will find that they are a different character of religious organizations.

I have said all I care to say. I do not wish to delay the Senate, but I thought it might be helpful to set out the 15 different kinds of organizations which will be required to make these returns if this language is kept in the bill. I have the greatest respect for the House, the House Ways and Means Committee, and also the Senate Committee on Finance, of which I am a member, but when the matter was under consideration by the committee I felt that this section ought to have been eliminated. I have not changed my views with regard to it, and I shall therefore vote for the amendment of the Senator from Missouri to strike out the section.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. VANDENBERG. Is an amendment to the text of section 112 in order before the amendment offered by the Senator from Missouri to strike out the section is acted upon?

The PRESIDING OFFICER. Such a perfecting amendment would take precedence over an amendment to strike out.

Mr. VANDENBERG. Mr. President, I now offer an amendment of that nature. I offer it because I believe it at least partially meets some of the argument which has been submitted to the Senate against this section.

On page 41, in line 19, under the heading "Years to which applicable" after the word "taxable" I move to amend the subsection, so as to read:

(b) Years to which applicable: The amendments made by subsection (a) shall be applicable with respect to the taxable year beginning after December 31, 1943.

Mr. President, the purpose of the amendment is obvious. It seems to me that there can be no argument against the proposition that when the Government of the United States extends to anyone what is now a highly valuable privilege of tax exemption, the Government is entitled to one disclosure to it that the exemption is justified and that the privilege is not abused.

As the subsection has been drawn, and as it would stand without this amendment, it would initiate a continuing burden upon all those institutions and organizations. I am proposing an amendment which would apply the requirement but once. We could then determine, on the basis of the information received, first, whether it would be worth while to continue the quest for information; and second, whether there is anything in the information which would justify a change in the tax laws themselves.

I am taking the current year because the only complaint I have heard from legitimate cooperatives in my State is that they may not have kept adequate records in past years to satisfy this requirement for information, but they have indicated that if the information shall be required for the current year so that they are on notice that it will be required the situation will not be objectionable.

Mr. President, that is all I have to say. I think the amendment speaks for itself.

It enforces the right of this Government to require the beneficiary of a tax privilege to prove that the exemption is justified. It does not continue the burden beyond that point.

Mr. President, on that basis it seems to me that the amendment should be adopted.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Michigan.

The LEGISLATIVE CLERK. On page 41, line 19, it is proposed to strike out "taxable years beginning after December 31, 1942", and insert "the taxable year beginning after December 31, 1943."

Mr. CLARK of Missouri. Mr. President, this amendment would have been very much simpler and better stated and very much more easily understood if it had been phrased in such a way as to strike out the word "tweedledum" and insert the word "tweedledee", because that is its effect. It does not make any particular difference whether the year 1942 or the year 1943 is included; the principle involved is the question of compelling people whom the Government apparently does not intend to tax and whom certainly no one has advocated taxing, making unnecessary returns. As I say, I think that the amendment of the Senator from Michigan is simply the difference between tweedledum and tweedledee; I mean that the House provision with the amendment of the Senator from Michigan is equally as objectionable as the original House language. It makes no difference whether 1942 and 1943 are omitted.

Mr. President, before the vote is taken I suggest the absence of a quorum.

Mr. VANDENBERG. Will the Senator withhold his suggestion for a moment?

Mr. CLARK of Missouri. I am glad to withhold it.

Mr. VANDENBERG. I simply desire to comment in response to the Senator that he has referred only to the fact that this amendment applies to the current tax year instead of to the 2 previous years. I respectfully submit to him that it is not a difference between tweedledum and tweedledee when the amendment also confines the application of this informational requirement to one single year. With great respect for the Senator, with whom I so infrequently disagree, I submit that there is a substantial difference between writing a permanent requirement into the law as compared with writing into the law one single inquiry for one single year.

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield there?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Does the Senator think this thought is worthy of consideration? The Senator from Michigan moved to strike out "1942 and 1943" because adequate records may not have been kept. We all know the Government is asking unusual efforts on the part of not only individual farmers but cooperatives in the war production of food and supplies; so that 1944 will not be a normal year and it cannot be a normal year, due to abnormal conditions under which not only individual

farmers but cooperatives operate. Will not that disadvantage offset any advantage that may be given to them in 1944 over 1943 because of the Senator's amendment?

Mr. CLARK of Missouri. Of course, the Senator from Kentucky and the Senator from Michigan, as well as most of the other Senators who have been engaged in this debate, have listened to the testimony of Commissioner Helvering, of the Bureau of Internal Revenue, and Commissioner Hannegan, his successor, both of whom complained bitterly about the lack of manpower, the lack of machines available to the Internal Revenue Department. It seems to me that this provision, unless it is stricken out, will be a great complicating factor in the ability of the Internal Revenue Bureau to perform its functions.

Mr. President, in view of the fact that it seems to me that the debate has been exhausted; no one has been anxious to shut it off, but in view of the fact that a vote is about to be taken, I suggest the absence of a quorum.

Mr. BAILEY. Mr. President—

Mr. CLARK of Missouri. If the Senator from North Carolina desires to address the Senate, I shall be glad to withhold my suggestion, and I do so.

Mr. BAILEY. I thank the Senator from Missouri. I wish to submit some remarks from my own point of view and upon my own responsibility.

I have heard a great deal this afternoon about cemetery cooperative societies, recreational centers—some of it coming from sources that never heretofore manifested any great amount of interest in those places—about the difficulty of getting work done by way of preparing returns, and even some talk about the manpower shortage.

I am perfectly willing to take the responsibility of saying that if there were nothing in this amendment except the requirement that the labor unions should give an account to the Congress for the information of the Congress, I would be very heartily for it; and if I must pay the price of being in favor of getting some information from any other groups in America, I am willing to pay that price. The time has come when it is the clear duty of the Federal Government to face the issue and obtain information from the labor organizations.

Hear me about that for a moment. We have given the labor organizations of America the power to tax, and we all know it. We may call it what we please, but the labor unions have the power to tax. They can tax the workers and indirectly tax the American people. They not only fix the dues of their organizations but we have put the workers in their hands. We collect their dues, in a great many instances, by what is called the check-off. We do not limit the dues; we do not know what the dues are; we just give them ad lib opportunity to charge the workers all that the traffic will bear, and we raise no question. Yet when we do undertake to get a little information, we are resisted in the name of all the cemeteries on earth [laughter], in the name of the co-ops, mutual societies, and burial organizations, and in

the name of the difficulty of compiling returns here in a country where practically every man is required to file a return. Every soldier has to file returns, every taxpayer has to file returns, and there are some 44,000,000 of them. But now we begin to weep briny tears because a few labor organizations, having the taxing power, which we gave them, having the power to say to a man whether he can work or not and upon what conditions he may work—and we gave them that power—are involved; and now we do not dare to say, "You should give some account to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate as to how much you are getting and what you are doing with it." That is a strange thing to me. We gave that power, and it is our duty to see to it that the power is not abused. There is no other body on earth which can see to it except ourselves. The workers cannot. They are helpless.

There was an attempt to build a military training camp in North Carolina. There was a great outcry about the shortage of manpower with which to build the camp, in which to train boys to fight our enemies and save our country. The farmers came out and said, "We will hammer and we will saw." Then the labor agitator stood at the door and said, "You do not hammer and you do not saw until you pay us a tax of \$25 or \$100." Yet some are unwilling to have us find out about it, and are going to shed crocodile tears over cooperatives and cemeteries rather than find out about it. I do not mean any reflection, of course.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. BAILEY. Yes; but let me say to the Senator in advance that he does not ever shed any crocodile tears. I am not charging him with shedding any. [Laughter.]

Mr. CLARK of Missouri. I did not understand that the Senator from North Carolina was charging me with shedding crocodile tears. But does the Senator believe that under the provisions of section 112 any information will be derived as to exorbitant revenue from such practices as the Senator is discussing? If the Senator will introduce a bill to prohibit such practices, or, as another Senator has suggested something about contributions of some of these organizations to political campaigns, if a measure shall be introduced to prohibit that under the Corrupt Practices Act, I shall be glad to vote for it, but I do not think the section the Senator is discussing would at all reach the result he is trying to achieve.

Mr. BAILEY. That comes from a Senator who just now talked about tweedledum and tweedledee. You can have them both, so far as I am concerned. What we are discussing is a provision to elicit information from labor organizations, among others, concerning their incomes and their financial transactions. If it were more definite and broader, I should be for it without any compromise, and without any fear of the consequences, either.

There is another thing, and I intend to be very plain about it. We have given the labor organizations so much power that this Government itself is in jeopardy. That sounds like a very extravagant statement. People might say that that was the language of rhetoric and exaggeration, but it is not. It is the language of truth and soberness.

Only a few days ago—and the cloud is not altogether behind us—there was not a Member of the Senate who knew and there was not a man in the country who knew whether there would be transportation to the ports for the arms and ammunition, the clothing and the food, for our fighting men on the battle fronts around the world. Just before that there was not a man in the United States who knew whether the American people would be made to freeze this year at the instance of that modern Catiline, unmatched by any Cicero so far, at the head of the mine workers. Probably I pay him a compliment when I speak of him as Catiline.

He could give forth his order to close the mines, and the mines closed. Exercising a godlike power, he could say, "Close the furnaces," and the furnaces closed, or "Close the hearths," and the hearths closed, or "Close the grates in your homes and stores," and they were closed. Shut down the war effort and present our country naked in the presence of its enemies! And we do not dare to grapple with him. We do not dare to ask him what he is doing with the dues and fees he collects from the men who stupidly follow him—the misguided men.

Here we come this afternoon with an effort to insert in the revenue law, in line with all the precedents of this legislation for 25 years, a clause or two intended to elicit information we want, and we are met on every hand with every sort of pretext and every sort of excuse.

Mr. President, I am for facing the issue. We are not through with it. I am with that general, whose name has not been officially made known, who referred to the railroad strike, as the papers say, as a "damned outrage." I might apologize for the use of the adjective, and simply say that while the language is not parliamentary, perhaps, it was deserved; it was good military language, it was timely, it was true, it was in the line of duty, and I am with it.

Think of our situation, Senators. Where do we put ourselves today? We have the amendment down to the point of merely calling for information as to what these institutions are doing, institutions to which we gave the power, and which should be dependent upon ourselves for their existence. Yet they have become so powerful that we are a little bit inclined to tremble as we approach the sacred precincts of their might.

Well, I am not. So far as I am concerned, there is but one flag in America, and that is the flag of my country, the Stars and Stripes. There is but one cause in America, and that is the cause of my country, and I subordinate everything on earth to that. I am not under the labor flag.

Here we are, notified in the press that one of the labor organizations is proceeding forth with three-fourths of a million dollars, for political purposes, money collected by our authority, and by power which we gave, and which the workers cannot resist. Yet, some are unwilling to challenge that statement and ask for the truth about it.

A few days ago I received through the mail a political primer issued by the C. I. O., and I suggest that most of us might profit by reading that primer. It tells us how to get delegates, and how to acquire local political power, with a view to taking charge of this country; that is all. They are not in politics for the sake of anything on earth except their own particular group. They are educating men, not to serve the United States but to serve the C. I. O. in elections.

Mr. Hillman has gone forth with his organization, dividing the country into 12 regions, organized wholly for the purpose of group power politics, not for the national interest, not for the war effort, not for the Democratic Party, not for the Republican Party, not for any party, but for the labor organizations, the labor power—group power.

Senators, nothing on earth could be more serious for this country than that. We have always operated in the national interest. The country has lived by that. We have always abhorred class politics. But here we are confronted with it, and it is we ourselves who have armed these men with the sinews of their warfare. We gave them the power of collective bargaining. We gave them the power to turn humble men away from their work. We gave them the power to exclude a worker if he failed to pay his dues. Now they deny to us the very humble power of finding out how much money they are handling, and what they are doing with it.

Mr. President, that is intolerable to me. I will accept the challenge here. I will accept it in North Carolina. They cannot defeat me, and they cannot defeat any other Senator, and they cannot defeat any honest man on an issue such as that in America, because the American people down in their hearts know what is going on. They have seen how far things have been carried, and the American people believe in the national interest and not in the interest of any group. The moment any group in this country, whether it be the millionaires and the bankers and the strong men financially, or whether it be a particular coterie, or whether it be the farmers, or whether it be the workers, becomes strong enough in its arrogance, in its stupidity, to challenge the country in the hour of war, and to tell us it will stop the wheels of the engines and the freight cars, that it will bank the fires in the furnaces unless we yield to its demands, and that it will throw us out of office unless we yield to its demands—when that hour strikes I have no question what the American people will do. They will accept the challenge; they will not support any political party that falters in circumstances like that, and they will not support any political person, whether President, Senator, Representative, or Gover-

nor, who caters to the arrogance manifested in that way.

Mr. President, if I did not have that faith in the American people I would be very greatly cast down. But I have that faith.

I think the time has come, Mr. President, when we must accept this challenge without fear, and on the other hand, with great confidence. I think the time has come when we must say to all concerned, "You cannot threaten your country in time of war, nor will you be permitted to hold it up at the point of a pistol."

I am aware of what Mr. Green, the head of the American Federation of Labor, said. He said there never was any danger of the railroad strike taking place anyway. Well, that makes matters worse. If he is to be believed, the railroad labor unions were bluffing Uncle Sam when his back was to the wall, and I do not know of anything more damnable than that. If they meant to stop the trains, they meant to surrender the country to Hitler; and nothing else can be made out of it. If they did not mean to stop the trains, then they meant to bluff the President of the United States in an hour when they thought he could not afford to call the bluff. Either way you take it, there are no decent words with which to describe it; there are no adjectives sufficient to condemn it.

So, now, Mr. President, I have met this issue for myself. I am going down the line with every man who is in favor of unity of our country until we have victory in this war. I am against every man who falters, who trembles, who flinches, or who tries to compromise with a situation in which one group or another undertakes to say to our country in the hour of its extremity, "We must have our way or we will surrender you to your enemies." That is insufferable. It is inconceivable. So I make my course clear. I welcome the opportunity to vote for this legislation, and I would vote for legislation incomparably stronger if it were presented here.

SEVERAL SENATORS. Vote! Vote!

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Radcliffe
Andrews	Gillette	Reed
Austin	Green	Revercomb
Bailey	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hayden	Russell
Barkley	Hill	Shipstead
Bilbo	Holman	Stewart
Bone	Johnson, Colo.	Taft
Brewster	Kilgore	Thomas, Okla.
Buck	La Follette	Thomas, Utah
Burton	Langer	Tobey
Bushfield	Lodge	Truman
Butler	McCarran	Tunnell
Byrd	McClellan	Tydings
Capper	McFarland	Vandenberg
Caraway	McKellar	Van Nuys
Chavez	Maybank	Wagner
Clark, Mo.	Mead	Wallgren
Connally	Millikin	Walsh, Mass.
Danaher	Moore	Walsh, N. J.
Downey	Murdoch	Wheeler
Eastland	Murray	White
Eliender	Nye	Wiley
Ferguson	O'Daniel	Willis
George	Overton	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, with reference to the amendment offered by the Senator from Michigan [Mr. VANDENBERG], proposing to restrict to the current year the requirement for informational returns, I have no objection so far as I am concerned. I do not think we need a yea-and-nay vote on the amendment. I hope we may soon complete consideration of the whole matter.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. I understand that the matter before the Senate at the present time is the amendment of the Senator from Michigan, the so-called tweedledum and tweedledee amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. VANDENBERG. Am I not correct in stating that the Chair is correct in saying that the amendment now pending is the one identified, but that the identification is not correct? [Laughter.]

Mr. CLARK of Missouri. Mr. President, I do not think it makes any difference whether the identification is correct. I do not think it makes any difference whether the amendment of the Senator from Michigan is agreed to or rejected. Certainly it makes no difference as to my amendment proposing to strike out section 112. I do not think the amendment of the Senator from Michigan makes any difference, but I am going to vote against it.

Mr. AIKEN. Mr. President, let me reiterate that the years 1943 and 1944 are not typical years on the basis of which to require returns from farm cooperatives. Last year the farm cooperatives handled enormous quantities of materials for the Government. In 1944 they will handle even more. They are handling potatoes from Maine, for the Government; they are handling fertilizer for the Government; they are handling feeder wheat and other materials. The Government is using farm organizations, probably to the extent of hundreds of millions of dollars, during the wartime period. Such a situation does not make the years 1943 and 1944 typical ones on the basis of which to obtain the information which the Treasury Department might possibly require.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. VANDENBERG], on page 41, line 19. [Putting the question.] The "ayes" appear to have it.

Mr. CLARK of Missouri. I ask for a division.

On a division, the amendment was rejected.

Mr. LODGE. Mr. President, I ask for the yeas and nays.

Mr. CLARK of Missouri. Mr. President, I make the point of order that the request for the yeas and nays comes too late.

Mr. LODGE. No, Mr. President; I was on my feet.

The PRESIDING OFFICER. After the result has been announced, it is too late to request the yeas and nays.

Mr. LODGE. I was on my feet asking for the yeas and nays, and should have been recognized. I think the Chair was in error in announcing the vote while I was on my feet asking for the yeas and nays.

Mr. CLARK of Missouri. Mr. President, I have most excellent hearing. I did not hear the Senator from Massachusetts address the Chair in any degree whatever. I would just as leave have a yeas-and-nay vote on the amendment. I am not disposed to request to have the rule enforced, if the Senator from Massachusetts is disposed to insist on having a yeas-and-nay vote taken. However, I repeat that the Senator from Massachusetts did not address the Chair, and never pursued his right to request the yeas and nays, before the result was announced.

The PRESIDING OFFICER. If the Senator from Massachusetts states he was on his feet and requested a yeas-and-nay vote before the result was announced, the Chair recognizes his request.

Mr. LODGE. Mr. President, I asked for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The Senator will state it.

Mr. AIKEN. The pending question is on agreeing to the amendment of the Senator from Michigan; is it not?

The PRESIDING OFFICER. That is correct.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. DAVIS' name was called). I rise to announce the unavoidable absence of the Senator from Pennsylvania [Mr. DAVIS]. I am advised that he is away from the city upon business of the Senate. He has a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I am not advised, however, how either Senator would vote on the pending amendment.

Mr. BUTLER (when Mr. WHERRY's name was called). I announce that my colleague the junior Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present, he would vote "yea."

The roll call was concluded.

Mr. BANKHEAD (after having voted in the negative). I cast my vote on this amendment because I intended to transfer to another Senator the pair I have with the senior Senator from Oregon [Mr. McNARY]. However, I find I cannot secure a transfer of my pair, so I am advised by the clerk. Therefore I withdraw my vote.

Mr. THOMAS of Utah (after having voted in the negative). I have a general

pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM]. I am not advised how either Senator would vote if present. I allow my vote to stand.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Illinois [Mr. LUCAS] and the Senator from Florida [Mr. PEPPER] are detained on public business.

The Senator from New Mexico [Mr. HATCH] and the Senator from Wyoming [Mr. O'MAHONEY] are detained because of slight colds.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Idaho [Mr. THOMAS] is necessarily detained. He has a general pair with the Senator from Florida [Mr. PEPPER].

The Senator from New Jersey [Mr. HAWKES] is necessarily absent. He has a pair with the Senator from Illinois [Mr. LUCAS].

The Senator from New Hampshire [Mr. BRIDGES] is necessarily detained. He has a general pair with the Senator from Utah [Mr. THOMAS].

The result was announced—yeas 27, nays 50, as follows:

YEAS—27

Andrews	Chavez	Radcliffe
Austin	Ellender	Reed
Bailey	Ferguson	Stewart
Ball	George	Vandenberg
Brewster	Gurney	Van Nuys
Bushfield	Lodge	Walsh, N. J.
Butler	Maybank	White
Byrd	Millikin	Wiley
Capper	Moore	Willis

NAYS—50

Alken	Hill	Revercomb
Barkley	Holman	Reynolds
Bilbo	Johnson, Colo.	Robertson
Bone	Kilgore	Russell
Buck	La Follette	Shipstead
Burton	Langer	Taft
Caraway	McCarran	Thomas, Okla.
Clark, Mo.	McClellan	Thomas, Utah
Connally	McFarland	Tobey
Danaher	McKellar	Truman
Downey	Maloney	Tunnell
Eastland	Mead	Tydings
Gerry	Murdock	Wagner
Gillette	Murray	Wallgren
Green	Nye	Walsh, Mass.
Guffey	O'Daniel	Wheeler
Hayden	Overton	

NOT VOTING—19

Bankhead	Hatch	Scrugham
Bridges	Hawkes	Smith
Brooks	Johnson, Calif.	Thomas, Idaho
Chandler	Lucas	Wherry
Clark, Idaho	McNary	Wilson
Davis	O'Mahoney	
Glass	Pepper	

So Mr. VANDENBERG's amendment was rejected.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. As I understand, the question now recurs on my amendment to strike out section 112 as amended.

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK of Missouri. Am I correct in the impression that the yeas and nays have been ordered on my amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. DAVIS' name was called). I repeat my announcement that the Senator from Pennsylvania [Mr. DAVIS] is absent from the city on business of the Senate. He has a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I do not know how the Senator from Kentucky would vote if present; but the Senator from Pennsylvania, if present and at liberty to vote, would vote "yea."

Mr. BUTLER (when Mr. WHERRY's name was called). My colleague [Mr. WHERRY] is necessarily absent. If present, he would vote "nay."

The roll call was concluded.

Mr. BANKHEAD. I have a pair with the senior Senator from Oregon [Mr. McNARY]. I do not know how he would vote. If I were at liberty to vote, I would vote "yea."

Mr. THOMAS of Utah (after having voted in the affirmative). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM], who is absent on official business, and allow my vote to stand. I am not advised how either Senator would vote if present.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK] and the Senator from South Carolina [Mr. SMITH] are necessarily absent. I am advised that if present and voting, the Senator from South Carolina would vote "nay."

The Senator from New Mexico [Mr. HATCH] and the Senator from Wyoming [Mr. O'MAHONEY] are detained because of slight colds.

The Senator from Illinois [Mr. LUCAS] and the Senator from Florida [Mr. PEPPER] are detained on public business.

The Senator from Kentucky [Mr. CHANDLER] has a general pair with the Senator from Pennsylvania [Mr. DAVIS].

The Senator from Illinois [Mr. LUCAS] is paired with the Senator from New Jersey [Mr. HAWKES]. I am advised that if present and voting, the Senator from Illinois would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from Florida [Mr. PEPPER] is paired with the Senator from Idaho [Mr. THOMAS]. I am advised that if present and voting, the Senator from Florida would vote "yea."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Idaho [Mr. THOMAS] is necessarily detained. He has a general pair with the Senator from Florida [Mr. PEPPER].

The Senator from Iowa [Mr. WILSON] is absent because of illness. If present he would vote "nay."

The Senator from New Jersey [Mr. HAWKES] is necessarily absent. He has a pair on this question with the Senator from Illinois [Mr. LUCAS]. If present Senator HAWKES would vote "nay," and Senator LUCAS would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is necessarily detained. He has a general pair with the Senator from Utah [Mr. THOMAS].

The result was announced—yeas 34, nays 43, as follows:

YEAS—34

Aiken	Johnson, Colo.	Taft
Barkley	Kilgore	Thomas, Okla.
Bone	La Follette	Thomas, Utah
Clark, Mo.	Langer	Tobey
Danaher	McCarran	Truman
Downey	McFarland	Tunnell
Ellender	McKellar	Wagner
Gerry	Mead	Wallgren
Green	Murdoch	Walsh, Mass.
Guffey	Murray	Wheeler
Hayden	Nye	
Hill	Shipstead	

NAYS—43

Andrews	Eastland	Reed
Austin	Ferguson	Revercomb
Bailey	George	Reynolds
Ball	Gillette	Robertson
Bilbo	Gurney	Russell
Brewster	Holman	Stewart
Buck	Lodge	Tydings
Burton	McClellan	Vandenberg
Bushfield	Maloney	Van Nuys
Butler	Maybank	Walsh, N. J.
Byrd	Millikin	White
Capper	Moore	Wiley
Caraway	O'Daniel	Willis
Chavez	Overton	
Connally	Radcliffe	

NOT VOTING—19

Bankhead	Hatch	Scruggam
Bridges	Hawkes	Smith
Brooks	Johnson, Calif.	Thomas, Idaho
Chandler	Lucas	Wherry
Clark, Idaho	McNary	Wilson
Davis	O'Mahoney	
Glass	Pepper	

So the amendment of Mr. CLARK of Missouri was rejected.

Mr. GEORGE. Mr. President, there are one or two amendments lying on the table. I do not know whether the Senators offering them now desire to press them. They relate to the section of the bill we have just been considering. If the sponsors of the amendments wish to present them at this time, I wish they would do so.

Mr. REYNOLDS. Mr. President, will the Senator yield to me in order that I may be permitted to send to the desk and have read an amendment which I offer?

Mr. GEORGE. Is it an amendment to this section of the bill?

Mr. REYNOLDS. No; it is not applicable to this particular section, but I should like to have it read; and if it cannot be reached for consideration today, I should like to have it printed and to lie on the table.

Mr. GEORGE. Very well. I yield for that purpose.

The PRESIDING OFFICER. The amendment offered by the Senator from North Carolina will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. Interest and additions to tax.

Supplement M (relating to interest and additions to the tax) is amended by striking out "6 per centum" and "5 per centum" wherever such terms appear therein and inserting in lieu thereof "3 per centum."

Mr. REYNOLDS. Mr. President, I will state for the information of the distinguished chairman of the Finance Committee that I am of the opinion that our Government should not charge taxpayers 6 percent interest on deferred payments of income taxes for the reason that when they loan money to the Government it pays only from about 2 to 3 percent interest. However, when they owe the Government money it charges them 6 percent. I do not believe the Government should charge the taxpayers any more interest on deferred payments than it pays in interest upon the bonds which they purchase. In other words, I do not believe that Uncle Sam should charge its citizens 6 percent for money which they owe him, when the citizens charge him only 2 percent for the money they lend him. I believe the rate should be the same in both cases.

Mr. GEORGE. Mr. President, I may say to the Senator from North Carolina that the interest charged by the Government is 6 percent, but the Government also pays 6 percent upon all refunds. So it works both ways. The rate is too high, and it is believed to be too high. In connection with a bill which it is believed the House Ways and Means Committee will take up immediately after we clear the pending tax bill, the committee will be perfectly willing to look into that question. It will be looked into because it is now recognized that the rate is too high in view of the prevailing interest rate.

Mr. REYNOLDS. Would the Senator from Georgia prefer that I withdraw the amendment?

Mr. GEORGE. I suggest that he hold it for the other bill.

The PRESIDING OFFICER. Does the Senator from North Carolina withdraw his amendment?

Mr. REYNOLDS. I am glad to follow the suggestion of the Senator from Georgia, and I withdraw the amendment.

Mr. GEORGE. Mr. President, the Senator from New York has an amendment which he wishes to offer. Before the amendment is voted upon I will merely state that I have agreed to accept an amendment offered by the junior Senator from Nebraska [Mr. WHERRY] and the junior Senator from Iowa [Mr. WILSON]. I ask that the amendment be now considered.

The PRESIDING OFFICER. The amendment offered by the junior Senator from Iowa [Mr. WILSON] and the junior Senator from Nebraska [Mr. WHERRY] will be stated.

The CHIEF CLERK. On page 114, in the table after line 11, in the column headed

"War tax rate," after "5 cents or," it is proposed to insert "major."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GEORGE. The Senator from New York has an amendment to offer.

Mr. MEAD. Mr. President, I offer an amendment the purpose of which is to strike out on page 114 all reference to the item 1700 (a), following line 11.

The purpose of my amendment, Mr. President, is to strike from the bill the increased tax on admissions as reported to the Senate by the Finance Committee. My amendment, I understand, cannot be considered, unless by unanimous consent, until the committee amendment is acted upon. The adoption of my amendment will give the conferees the opportunity to consider everything from existing law, which provides for a 10-percent tax, up to the 20-percent tax now proposed in the House bill.

Therefore, Mr. President, the difference between my proposal and the language of the House will be the difference between existing law, which levies a 10-percent tax on admissions, and the House provision, which would impose a 20-percent tax on admissions.

Mr. President, I realize the necessity for increasing the revenue of the Government. I appreciate the splendid work which has been accomplished by the Finance Committee. Above all, Mr. President, the patience, the graciousness, and the leadership of the chairman of the committee, I know, are deserving of our highest commendation. However, this is a very vital portion of the bill. It affects several industries. It not only affects the small theaters in cities and towns of less than 5,000 population, as referred to in the amendment offered by the junior Senator from Iowa [Mr. WILSON] and the junior Senator from Nebraska [Mr. WHERRY], but it also affects the entire theatrical industry of the country—the movies, the legitimate theater—and also all competitive sports, exhibitions, and amusements of all kinds.

Mr. President, what is the situation which now exists in those industries? What prompted the junior Senator from Iowa [Mr. WILSON] and the junior Senator from Nebraska [Mr. WHERRY] to offer their amendment? Taking these activities industry by industry, we find that the legitimate stage performances are disappearing. At the present time one has to travel a long distance, to large cities, in order to see one of the great plays of the stage.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. MALONEY. Does the Senator imply that the additional tax will be eliminated in towns and cities below a certain population?

Mr. MEAD. No; that was the intent of the amendment offered by the junior Senator from Iowa [Mr. WILSON]. My

amendment would eliminate the tax imposed by the Senate Finance Committee, which is an additional tax over that provided under present law.

Mr. MALONEY. In all cities?

Mr. MEAD. In all cities.

Mr. MALONEY. I thank the Senator.

Mr. MEAD. As I stated a moment ago, Mr. President, legitimate plays are disappearing from the stage, and the operas and musical comedies are being confined more and more to the great metropolitan centers.

In the field of competitive sports, we find that many of them are no longer to be enjoyed in the smaller communities. A few short years ago there were 37 or 38 baseball leagues in the United States. Baseball was then a thriving industry. Exhibitions of America's national pastime could be seen all over the country. Today 30 of those leagues have been discontinued; they have gone the way of the legitimate stage.

Mr. President, we are asked to double a tax which has remained stationary since the First World War, and in doing so we would be adversely affecting these industries which are already called upon to absorb a very large tax burden.

Everyone agrees that taxes to the very limit are required, particularly at this time, but consideration must be given to the possibility of these industries carrying the load.

It is my opinion that by increasing the tax rate as the bill proposes, we would reduce the volume of taxes to be collected. In other words, we would collect less revenue from the theater, from baseball, football, and other competitive sports, from amusements generally, as a result of the imposition of a tax 100 percent greater than that levied by existing law.

Mr. President, it is important that we continue these industries. They are deserving of our support. They have made many contributions to the progress of the Nation. It is my opinion that the legitimate stage, as such, should be preserved. Competitive sports have contributed largely to the fine physical stamina of the men who are serving in our military forces. It is my opinion that in these times of war, competitive sports, the theater, amusements as we know them in this country, have contributed very largely to strengthening the morale of our people.

Anyone familiar with the record will agree when I say that many of the athletes of our colleges and sand lots and those engaged in professional sports who have gone into the military forces in large numbers have distinguished themselves. The training, and the results of that training, have proved to be beneficial in the military service where these men now are.

Mr. President, the theater has made its contribution to the war effort. The theater is one of the very centers of every drive, of every program that has anything to do with or has any relation to the Nation's war effort.

An increase of a hundred percent in the tax is too much for many of the

theaters to carry, and particularly the smaller theaters in the smaller communities. Everyone realizes that they are already taxed heavily. While it is true that some of the stars—and they represent only a small part of the movie fraternity—receive large salaries, yet it is understood that a great deal of what they receive is returned to the Treasury in the form of taxes. Everyone realizes that a theater must locate usually in a section of the community where the real estate tax is unusually high, and therefore the local taxes form quite a burden for the theaters to carry.

Mr. President, the taxes on our theatrical industry, the taxes on our athletic competitive sports, are already high and I believe we would be doing what was right and proper if we were to strike out the rates inserted by the committee and let the entire matter go to conference, so that the conferees would have the language contained in the bill as it passed the House, imposing a tax of 20 percent, and the language which would then be in the Senate bill, imposing a tax of but 10 percent. This would give the conferees an opportunity to go all the way from 10 percent up to and including the 20 percent tax.

Mr. President, I believe that serious consideration should be given to the several industries I have mentioned. I have reason to believe that the imposition of the maximum taxes contained in the bill would eliminate some of the theaters in the smaller communities of the country. I believe that it would eliminate some of the baseball leagues still in existence.

There are several million American boys participating in the game of football. There are several million also participating actively in baseball. There are millions more interested in tennis and other games. Since the coming of machine production, when men are forced to stand in one spot from 8 to 10 hours a day, the American boy, more than ever, needs the training, the building he receives from participation in competitive sports.

In the colleges and universities of America, and in our service schools at West Point and Annapolis, every student is called upon to select two or three or more competitive sports. They are considered a vital part of his training, and the physical perfection of the American youth, compared with the youth of other countries, as exemplified on every battlefield of the war, is in some measure due to the popularity of competitive sports in the United States.

Mr. President, I am only asking that the entire matter be brought to the attention of the conferees in such a way as will enable them to consider a tax all the way from the tax imposed by present law up to and including the tax as recommended in the House bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. VANDENBERG. How much would the Senator's amendment cost by way of loss of revenue?

Mr. MEAD. The chairman of the Finance Committee brought out the figures

the other day, and for the purpose of accuracy I should like to have him state them again, if he will.

Mr. VANDENBERG. I understand it is \$135,000,000.

Mr. GEORGE. It is \$135,000,000. The amendments we have already taken to conference would have the effect of reducing the admission tax by a small sum, but \$135,000,000 would be eliminated if the proposed amendment were adopted.

Mr. VANDENBERG. I should like to ask the Senator from New York if he has a suggestion as to where we can turn by way of alternative tax to obtain another \$135,000,000 to take the place of the tax he proposes to do away with.

Mr. MEAD. I shall be glad to answer that question if the Senator will be patient with me. As I said before, only a few years ago we had 38 baseball leagues playing to millions of spectators in the United States. We now have but 8 or 10 at the outside.

I just heard from the manager of a baseball team located in one of our largest cities. He said he was able to carry the load last year, but if there were any further financial burdens placed upon him he would have to close up. That city contributed a very large sum of money to the Treasury, because it was possible to maintain this competitive sport. But if we continue to impose taxes we will eliminate the industry, and in eliminating the industry we will wipe out the revenue and reduce tax collections. I have no disagreement with the experts in the Treasury Department, but if we continue to eliminate these tax sources we will have no revenues. So I disagree with the figures which have been given to us by the Treasury. I believe we are drying up the sources of revenues.

Mr. VANDENBERG. Is it not the drafting of men and the diversion of manpower which is responsible for whatever reduction there has been in admissions, on the one hand, and is it not true, on the other hand, that such league baseball operations as are still maintained this year drew a larger attendance than ever? Where is the dangerous trend? I do not quite see it.

Mr. MEAD. Mr. President, there is a sufficient number of baseball athletes to keep the leagues in operation. A great many of them are in deferred classifications. Second, everybody at home is working and able to go to ball games, either in the afternoon or in the evening. But one of the largest baseball corporations in the United States, drawing to the greatest crowds of the year, lost \$200,000 this past year. They simply cannot keep it up. The crowds are there, the personnel is there; but the expenses are growing by reason of additional Federal, State, and local taxes.

Mr. VANDENBERG. If the Senator will allow me, I will say that having sat painfully on the Senate Finance Committee through many weeks of hearings on this subject, I do not recall a single witness testifying for a single industry in the United States who did not say precisely the same thing, that costs are go-

ing up, and the burden of maintaining operations is becoming almost impossible, and yet we have increased their taxes. I agree with the Senator that we certainly need to maintain sports in this country, particularly in wartime, for the purpose of sustaining morale, but it seems to me that public amusement certainly should stand at least a comparable burden of taxation with industry, upon which we have to depend for the very existence of our economy.

Mr. GEORGE. Mr. President, may I suggest that every dime and every penny paid by the people who go into the amusement places is taxed? The operating company does not pay any of this tax. I had the experience myself last year of being almost excluded from the ball park every time I tried to get in.

Mr. VANDENBERG. Mr. President, I think the Senator from Georgia will concede that if we were to yield to the argument submitted by the Senator from New York and apply it generally to the tax bill there would not be any tax bill.

Mr. GEORGE. It could be applied generally, but this tax is paid by the people who patronize the sports.

Mr. MEAD. Mr. President, it is paid by the people who patronize the sports, but there are a great many other taxes paid by the corporation. All the taxes affect the well-being of the corporation. I appreciate the fact that the senior Senator from Michigan sat for weeks in considering the tax bill. I probably would feel very much as he does were I in his place. But I am pointing out the fact that in this particular item we may be liquidating a number of industries. As we know, the legitimate theater is disappearing.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. MALONEY. Of course, the Senator knows that today millions more persons are attending the theater than ever before in the history of our country; and the Senator knows that the decline in the legitimate theater is due to the gradual perfection of the motion pictures. So the decline of the legitimate theater cannot be blamed on taxes. In most cities of any size it is rather difficult today to get into the motion pictures. They open immediately after church on Sundays, and stay open a good part of all day, every day, and well into the nights, and sometimes into the mornings.

Mr. MEAD. Mr. President, the greatest reason for the decline, I believe, is the cost of a ticket.

Mr. MALONEY. Even if we did not have the motion pictures, we still would be required to pay high prices in order to attend the legitimate theater. The motion-picture industry has attracted artists receiving tremendously high salaries. People generally are attracted to the motion pictures, and feel that they receive unusually fine entertainment when they attend them. I confess that the prices of the legitimate theater are high.

Mr. MEAD. The prices have a great deal to do with the problem.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. TOBEY. The Senator referred to taxes. To what pastime was he making reference?

Mr. MEAD. To baseball, the great American game.

Mr. TOBEY. Does not the Senator agree that the popular pastime of "passing the buck" is the great national pastime?

Mr. MEAD. I disagree with the Senator, but, of course I will not argue with him.

At any rate, Mr. President, I appreciate this opportunity of bringing before the Senate a matter which I believe is justified. I believe other Senators will agree with me when I say that in this age men no longer work as they used to.

If we are to intensify the automatic machine work of the age in which we live, so that men will work by pulling levers or turning valves, there must be developed the degree of physical perfection required for good health. This can be obtained by the encouragement of football, baseball, and other sports.

If our people are to become a nation of machine workers, we will need more and more athletics in this country.

I am sorry that 30 out of 38 baseball leagues have had to fold up. I am sorry that the legitimate theater has had to close in hundreds of our American cities. It seems to me that when we observe that all those activities have gone out of existence, we should treat a tax law with a great deal of care.

Mr. President, remembering the great contribution which the stage, the movies, and our various competitive sports and sports of every kind are making to the war effort, recalling the inspiring songs of George M. Cohan in the First World War, and of Irving Berlin in the present war, as well as the contributions of many other artists, I believe we have every reason to be proud of the contributions they have made; and, in view of the fact that some of those industries are diminishing, some of them closing their doors, I believe we should send my amendment to conference. That would still give the opportunity to lighten the burden here and there, if it were the judgment of the conferees that the burden should be so lightened.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. VANDENBERG. The Senator spoke of inspiring songs. I wonder if he listened at all to Mr. Morgenthau's inspiring song to the effect that the tax bill should raise \$10,000,000,000 instead of \$2,500,000,000? I wonder if that struck a responsive chord in the heart of the able junior Senator from New York.

Mr. MEAD. Yes, Mr. President; I think that would strike a responsive chord in anyone's heart.

Mr. VANDENBERG. In anyone's heart, but not in his purse.

Mr. MEAD. I am also sure that, so far as the senior Senator from Michigan

is concerned, anything Secretary Morgenthau said would strike a responsive note in his heart.

Mr. VANDENBERG. I assure the Senator there never has been a single moment when Secretary Morgenthau's effort was justified either in common sense or sanity, from my point of view.

However, having found the means of raising revenue to the extent of \$2,500,000,000, if we are going to start paring it at the rate proposed by the Senator from New York, I shall have to urge him to give us some protection against further attacks upon us by his fellow citizen and colleague in the Administration, if we are to yield to any such plea as that which the Senator from New York has been making.

Mr. MEAD. Mr. President, I feel sorry for my distinguished colleague from Michigan; but I assure him that whenever it is possible I shall give him all the protection I can.

However, I desire to commend the Senator for the part he played in bringing the bill to the floor of the Senate. I only suggest to him that we may be going so far as to reduce the volume of revenue, rather than to increase it. I want to be very careful that we do not decrease the volume of revenue.

Mr. GEORGE. Mr. President, let me inquire if there are other Senators who desire to speak on this particular amendment.

Mr. THOMAS of Oklahoma. Mr. President, if I may do so, I should like to request to have printed in the RECORD at this point, in connection with my remarks, the text of a letter received recently by me from one of the prominent theater operators in the State of Oklahoma. The letter states the viewpoint of the industry, and further states the effect that this provision would have upon theaters and the theater-going public in my State. I believe that those engaged in the theater industry should have their viewpoint expressed. For that reason, I ask unanimous consent that the letter be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 27, 1943.

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THOMAS: * * * I find that the tax bill, just passed by the House, goes to the Senate Finance Committee next Monday. I realize that you are not a member of this committee, but I want to here and now express my objections to the proposed doubling of the admission tax, which is included in this tax bill.

First, let me say that while I am opposed to the doubling of the present admission tax as a theater operator, my opposition does not stem entirely from the fact that I am a theater operator but is based on common sense.

Let us be practical. I want to give you herewith my slant on this proposed increase and my reasons for opposition to it in order that I may help you in arriving at some conclusion as to the advisability of such an increase:

1. The motion-picture theater evidently is being classed as a luxury, which definitely should not be done for the following reasons:

(a) The motion picture is probably the least expensive form of entertainment obtainable by the American people. It is the entertainment purchased by the masses—not by a selected few.

(b) The average price of a theater ticket in Oklahoma is in the neighborhood of 23 cents. Surely an entertainment lasting from 2 to 3 hours which can be purchased for 23 cents is not a luxury.

(c) The motion-picture theater is a release from the cares of the day of approximately 90,000,000 to 100,000,000 people weekly in the United States.

2. The present rate of tax of 1 cent on each 10 cents or fraction thereof is commonly referred to as a 10-percent tax. Actually in practice it varies in every theater between 10 percent and 14½ percent. For instance, a 2-cent tax on a 15-cent admission is 13.3 percent and a 3-cent tax on a 25-cent admission is 12 percent. Only in the case of even-priced admissions such as 10 cents, 20 cents, 30 cents, etc., is it as low as 10 percent. The average in our theaters is 12½ percent.

3. Oklahoma already has a 2-percent sales tax. Some States have 3 percent. Obviously, in Oklahoma in the case of a 15-cent admission, the theaters are responsible for 15.3 percent on a 15-cent theater ticket in view of the foregoing paragraph.

4. The proposed doubling of the tax would make an average Federal tax of somewhere in the neighborhood of 25 percent throughout the Nation which is plainly discriminatory. I can think of only a couple of industries which have been discriminated against to this extent.

5. Statistics will show that with even a slight increase in admissions, attendance falls off so that even though the theater owner may apparently be passing the tax on to the public, actually some portion of it is being borne by the theater through a loss in attendance. (We made a survey following July 1, 1940, when the present tax was passed, which showed that approximately half the tax was being borne by us because of this fact.)

6. Through the war-activities committee of the motion-picture industry the Government is now releasing a large number of films for the purpose of promoting the war effort. These films have been a very potent factor in doing just what they were intended to do. A falling off in attendance of theaters because of increased admission prices incidental to a tax increase would defeat to some extent the dissemination of information to the public through the use of motion-picture films.

7. Of course, the theater industry like all others is paying very heavy taxes both through its various corporations and individuals. A lessening of the income of these theater companies and individuals through the increase of the tax would naturally decrease the income tax; therefore, the expected gain to the Treasury would not be as much as might appear on the surface.

8. At the present rate of collection, it is apparent that the present tax will produce \$156,000,000 in revenue for 1943. If attendance is reduced because of increased prices, which is certain to happen, the doubling of the tax will not produce double the revenue. This is obvious.

9. While the class A theaters in Washington and in the various defense boom centers are doing a very fine business, at the present time there are thousands of small theater operators throughout the United States upon whom this tax would work an insurmountable hardship. I am sure it would force the closing of many of the small theaters. These theaters are confronted with an exodus of

population from their towns, and other hardships, in addition to constantly rising costs of operation due to the inflationary aspect of the present situation.

We have not generally raised admissions as other industries have raised their prices simply because we could not without decreasing attendance.

I shall appreciate personally your studying the foregoing statements. I have tried to make them as clear and brief as possible. If you believe I have presented a good case for the retention of the tax at its present level, I shall appreciate very much your vote against the increase of the tax and the use of your influence with your colleagues in the Senate.

Can you and will you see that my thoughts in the matter are presented to the proper people?

Sincerely yours,

C. B. AKERS.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, on page 114, relating to the war-tax rate on admissions, under section 1700 (a), is agreed to.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. MEAD].

Mr. REVERCOMB. Mr. President, I think an inquiry was made by the distinguished Senator from Georgia as to whether any other Senator desired to speak further on the question presented here.

Mr. GEORGE. I made that inquiry, Mr. President.

Mr. REVERCOMB. It was my intention to speak on this subject after the disposition of the pending amendment.

Mr. GEORGE. Not on this amendment?

Mr. REVERCOMB. Not on this particular amendment, but on an amendment affecting this item in the bill.

Mr. GEORGE. Mr. President, may we have a vote on the pending amendment at this time?

Mr. BURTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BURTON. As I understand, we have just approved the committee amendment to the item under section 1700 (a). As I understand, the amendment of the Senator from New York [Mr. MEAD] would strike out the entire item, and throw it back to the original tax.

The PRESIDING OFFICER. The amendment of the Senator from New York would strike out section 1700 (a).

Mr. GEORGE. Mr. President, it really has the effect of striking out the whole text, but I do not believe the Senator from New York wishes to strike out anything but the increased tax.

Mr. MEAD. That is correct.

Mr. GEORGE. The amendment is simply to strike out the war tax on admissions.

Mr. MEAD. Mr. President, to make my position clear, my amendment would merely strike out the increase over the existing tax, so that it would remain at 10 percent, instead of 20 percent, as recommended by the committee.

Mr. GEORGE. Mr. President, may we have a vote?

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. As I understand, after the vote on the pending amendment of the Senator from New York, the item under section 1700 (a) will still be open to amendment.

Mr. GEORGE. Mr. President, I am unable to answer that question. It depends upon what kind of an amendment is offered. The amendment of the Senator from New York is to strike out the whole war tax.

Mr. REVERCOMB. If the amendment of the Senator from New York should not prevail, then, as I understand, the amendment, as amended by the amendments accepted by the Senator from Georgia, would still be open to further amendment.

The PRESIDING OFFICER. It would not be open to further amendment. The proposal stated by the Senator from New York to limit his amendment to the increase is not in order.

Mr. MEAD. Mr. President, I did not hear what the Chair said.

Mr. GEORGE. Mr. President, I had agreed that the Senator might offer the amendment, and asked for the reopening of the committee amendment for the purpose of permitting him to offer his amendment. That agreement was made at the time the Senator from New York offered his amendment.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to that effect?

Mr. GEORGE. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from New York [Mr. MEAD].

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. Am I to understand that after the vote on the pending question, which is the amendment of the Senator from New York, section 1700 (a) will not be open to further amendment?

The PRESIDING OFFICER. The war tax rate would not be open to further amendment.

Mr. BARKLEY. Mr. President, that would depend upon what disposition was made of the pending amendment.

Mr. REVERCOMB. I mean if the pending amendment were voted down.

Mr. BARKLEY. That would not affect any further amendments to that item.

Mr. REVERCOMB. The question is as to amending the bill as written.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. If the pending amendment offered by the Senator from New York is voted down, will not section 1700 (a) still be open to amendment?

Mr. REVERCOMB. I should think so.

The PRESIDING OFFICER. The war tax would be open to amendment.

Mr. WHITE. That is a part of section 1700 (a). I take it the answer to my parliamentary inquiry is that, if the amendment of the Senator from New York is voted down, this subparagraph will still be open to amendment.

The PRESIDING OFFICER. Limitations could be placed in the first column under section 1700 (a).

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. In the event the pending amendment is voted down, cannot the war tax rate provision be amended?

Mr. GEORGE. Mr. President, if the Senator will indicate what amendment he proposes to offer, I may be able to simplify the problem.

Mr. REVERCOMB. I shall be glad to do so.

Mr. GEORGE. I am now trying to see if we can obtain a vote on this amendment. If not, the Senate can take a recess.

Mr. REVERCOMB. I shall be very glad to indicate what I have in mind.

I have in mind letting the war tax-rate provision in section 1700 (a) stand, with this additional language:

Except admissions to moving-picture shows, for which the tax shall be 1 cent for each 10 cents or fraction thereof.

Mr. GEORGE. Mr. President, I do not think it would be open to that amendment, because already this section has been twice amended, and I have opened it again because the Senator from New York raised this question. If the Senator wishes to offer another amendment to it tomorrow, I will not raise any objection on the ground that it is foreclosed by a vote.

Mr. REVERCOMB. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. MEAD]. [Putting the question.]

Mr. MEAD. Mr. President, I ask for a division.

On a division, Mr. MEAD's amendment was rejected.

APPROPRIATION FOR CONTINGENT EXPENSES OF SENATE—EXPENSES OF INQUIRIES AND INVESTIGATIONS

Mr. McKELLAR. Mr. President, before a motion is made to take a recess, from the Committee on Appropriations, on behalf of the Senator from Virginia [Mr. GLASS], I report favorably, without amendment, Senate Joint Resolution 108, making an appropriation for contingent expenses of the Senate, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The joint resolution will be read for the information of the Senate.

The joint resolution was read by the legislative clerk, as follows:

Resolved, etc., That there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of \$200,000 for contingent expenses of the Senate,

expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1944: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. McKELLAR. Mr. President, I have a letter from Mr. Oco Thompson, financial clerk of the Senate, in which he states that the amount in his treasury for the payment of expenses of inquiries and investigations is down to \$6,214.75. He asks for a deficiency appropriation of \$200,000 at this time. His letter, which I ask to have printed in the RECORD, sets out all the reasons. The expenses have increased to such an extent that unless something of this kind is done at once, the appropriation will be exhausted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, January 18, 1944.

Hon. CARTER GLASS,
Chairman, Committee on
Appropriations, United States Senate.

DEAR MR. CHAIRMAN: Due to unusually heavy expenditures by the investigating committees toward the end of 1943, of which I had no advance knowledge, the contingent appropriation for expenses of inquiries and investigations will not be sufficient to meet the pay-roll vouchers for January.

The regular appropriation for the current fiscal year was \$150,000, and disbursements from July 1 to December 31, 1943, amounted to \$143,785.25, leaving a balance of \$6,214.75.

I have no way of knowing what the requirements may be from now on, but assume the total expenditures for this fiscal year will at least equal those of the previous year, 1943, which were \$326,000, and would, therefore, suggest a deficiency appropriation of \$200,000 at this time.

Respectfully,

Oco THOMPSON,
Financial Clerk.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Brig. Gen. DeWitt Peck to be a major general in the Marine Corps, for temporary service, from the 1st day of January 1944;

Col. Gerald C. Thomas to be a brigadier general in the Marine Corps, for temporary service, from the 7th day of December 1943; and

Sundry citizens and a meritorious non-commissioned officer to be second lieutenants in the Marine Corps.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

MARINE CORPS—NOMINATION PASSED OVER

The legislative clerk read the nomination of Col. William P. T. Hill to be quartermaster of the Marine Corps, with the rank of brigadier general, for a period of 4 years from February 1, 1944, which nomination had been previously passed over.

Mr. BARKLEY. Mr. President, the nomination of Colonel Hill has been passed over a number of times. Last week I stated that I would ask for consideration of the nomination early this week. The Senator from Massachusetts [Mr. WALSH], chairman of the Committee on Naval Affairs, advises me that the Senator from South Dakota [Mr. BUSHFIELD], at whose request this nomination has heretofore been passed over, will not ask that it be passed over beyond tomorrow. I am willing to agree that it be passed over once more. After that, I shall insist on action.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

Mr. WHITE. Mr. President, I may say to the Senator from Kentucky that earlier in the day I notified those who, so far as I knew, were opposed to the nomination, that it would probably be considered today. In view of what the Senator has said, I think a happy solution has been reached. I understand the nomination will be considered tomorrow.

COLLECTOR OF INTERNAL REVENUE

The PRESIDING OFFICER. The next nomination on the calendar will be stated.

The legislative clerk read the nomination of Frank W. Kraemer to be collector of internal revenue for the district of Connecticut.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

THE MARINE CORPS

The legislative clerk read the nomination of William E. Riley to be brigadier general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. That completes the calendar.

Mr. BARKLEY. I ask unanimous consent that the President be notified immediately of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be forthwith notified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 19, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 18 (legislative day of January 11), 1944:

COLLECTOR OF INTERNAL REVENUE

Frank W. Kraemer to be collector of internal revenue for the district of Connecticut.

IN THE NAVY

TEMPORARY SERVICE

To be rear admirals

William M. Fechteler John J. Ballentine
Henry S. Kendall Frederick G. Crisp
Frank L. Lowe

To be commodores

James E. Boak
George R. Henderson

To be vice admiral

David W. Bagley

To be rear admiral

Harold B. Sallada

To be pay director with rank of rear admiral

Thomas E. Hipp

RETIRED LIST

Vice Admiral John W. Greenslade to be placed on retired list February 1, 1944, with rank of vice admiral.

REGULAR SERVICE

To be lieutenant

Robert C. Sleight

To be lieutenant (junior grade)

Ensign Elbert D. Sprott, Jr.

To be assistant surgeon

Marr Griffith

To be ensigns

John W. Pickens Frederick E. Woodward
Melvin C. Roach Richard C. Harper

To be assistant surgeons

George S. Olmsted Allan P. Turner
William L. Jaquith Robert S. Sherman, Jr.
John J. Courtney William S. Stryker
Edward R. Graff Edward R. Woodward
James D. Wharton Robert J. McNamara
Howard O. Musser Clayton S. White
James B. Cummins William J. Baker
Daniel E. Owens Russell A. Donald
Ralph E. Kirsch Walter F. Nichols
Haskell M. Wertheimer John R. Green
William W. Wilson Robert W. Truscott
David F. Bew Thomas N. Willcockson
Arnold Breckenridge James A. Kaufman
William R. Nesbitt, Jr. Karl S. Alfred

Philip J. Parker
Frank A. Cerzosimo
William V. Young
David M. Baker
Paul C. Ronniger

Irving Sarnoff
Thomas C. Seymour
William E. Byrd
Joseph H. Kurre

To be ensigns

Earl K. Smith William D. Dannacher
Harry M. Brown Wade H. Boswell
Robert M. Whitrock Robert E. Switzer
James T. Jackson Sherman A. Minton, Jr.
Maynard B. Gustafson Robert M. Campbell
Paul F. Christenson Roy M. Kash
Franklin P. Allen, Jr. John L. Barrett
Robert C. Doolittle Stuart W. Rose
Peter E. Arioli, Jr. Leroy E. Smale
George M. Cravey John J. Fluhrer
Hilburn D. Gilliam James W. Sargent
Joseph B. Donnelly, Jr. William G. Wiest
Charles H. Wilson Wendell A. Prough
James S. Haimsohn Walter H. Jarvis, Jr.
Louis M. Cartall Robert I. Boyd
Vincent J. Rizzo Benjamin F. Edwards
Charles H. Alper Robert G. Fisher
Richard E. Leigh, Jr.

To be assistant paymaster

George E. Thode

To be ensign

Russell G. DeLany

IN THE MARINE CORPS

TEMPORARY SERVICE

To be a brigadier general

William E. Riley

POSTMASTERS

IDAHO

Claus J. Breier, Jr., Lewiston.

MAINE

Mae C. Lord, Charleston.

MISSOURI

Stephen H. Biggerstaff, Wheeling.

NEBRASKA

James B. Gordon, Cedar Rapids.
George H. Summers, Creston.
George W. Lincoln, Lexington.

NORTH CAROLINA

Belmont H. Winters, Elk Park.
Ancil W. Melvin, Lakedale.
T. Damon Sutton, Seven Springs.
Clara C. Craven, Trinity.

OKLAHOMA

Erma E. Johnston, Gore.
Clark W. Craig, Shawnee.

PENNSYLVANIA

Jane F. Mackley, Bainbridge.
Arthur R. Lovell, Blandburg.
Besse C. Pfeffer, Boiling Springs.
Donald A. Noll, Bowmanstown.
Beulah McConnell, Clinton.
Julia M. Fuleki, Commodore.
Catherine Matlock, Cumbola.
Kermit E. Relsenweaver, Drums.
Walter R. Weir, Floreffe.
Charles W. Staley, Plymouth Meeting.
Walter C. Starinshak, Ranshaw.
Lafayette Lawrence, Renfrew.
Arzella A. Plummer, Sidman.
Frank O. Shenton, Slatedale.
Katherine M. Evans, Springville.
Grace E. Strattan, Strattanville.
Ruth A. Groover, Upper Black Eddy.
Emma E. Foster, Wall.
Elizabeth N. Nolt, Willow Street.

SOUTH CAROLINA

Grover C. Henderson, Greenwood.
James N. Cleveland, Marietta.
Thomas M. Moore, Rembert.

VERMONT

Marjorie B. Carroll, Graniteville.
Olive M. Lobdell, Hartland.
George E. Lee, Pawlet.

WEST VIRGINIA

Gaylord Smith, Ellenboro.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 18, 1944

The House met at 12 o'clock noon.
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven and earth, even the winds proclaim the order of divine love; we would be grateful for this heavenly blessing first to be experienced and last to be remembered through all our earthly pilgrimage; we pray that it may ever be our hymn of praise. Grant us the sense of Thy guidance and establish among us the spirit of truth and justice that shall bring honor and contentment to all our people.

While we believe in bread and water as the source of life, help us firmly to believe in that bread and water which grows and flows in the soil of a better world whose course is peace and beyond our idle thoughts. So be with us, dear Lord, that we shall feel most deeply and clearly the realities of an inner rest which scorns inglorious strife, unafraid of that which is right and its consequences. O God, expedients are short-lived and principles are for the ages; do Thou shape us to revolve in that harmony and in that sphere which shall give evidence to our country of an aroused patriotism. Be Thou our pillar of cloud by day and our pillar of fire by night that we may wage a successful warfare against all selfishness and divisive disunity; cast down all barriers of confusion and misunderstanding and may we stand for our Republic that pleads for the liberty and the happiness of mankind. Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3741) entitled "An act authorizing the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes."

The message also announced that the Senate had adopted the following resolution (S. Res. 237):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM H. WHEAT, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the President of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that pursuant to the provisions of the above resolution the Presiding Officer had appointed